PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 12, 2022

NEW ISSUE **TAX ANTICIPATION NOTES**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See "Tax Matters" herein).

The District will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

COMMACK UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

$36,000,000* TAX ANTICIPATION NOTES FOR 2022-2023 TAXES
(the "Notes")

Date of Issue: October 6, 2022 **Maturity Date: June 28, 2023**

The Notes are general obligations of the Commack Union Free School District, in Suffolk County, New York (the "District"), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, subject to certain statutory limitations. (See "*The Tax Levy Limit Law*" herein.)

The Notes will not be subject to redemption prior to maturity.

The Notes will be issued in registered form and, at the option of the purchaser(s), the Notes will be (i) registered in the name of the successful bidder(s) or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes.

If the Notes are registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidders.

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See *"Book-Entry-Only System"* herein).

Proposals for the Notes will be received at 11:00 A.M. (Prevailing Time) on September 21, 2022 at the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. Munistat Services, Inc. has served as Municipal Advisor to the District in connection with the issuance of the Notes. It is expected that delivery of the Notes will be made in New York, New York or as otherwise agreed on or about October 6, 2022.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE DISTRICT FOR THE PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINING DISCLOSURE FOR THE NOTES, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

September , 2022

*Preliminary, subject to change.

COMMACK UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

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480 Clay Pitts Road
East Northport, New York 11731
Telephone: 631/912-2005
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BOARD OF EDUCATION

Justine Varughese, President
Steven Hartman, Vice President

William Hender
Susan Hermer
Gus Hueber

Dr. Jordan F. Cox, Superintendent of Schools
Laura A. Newman, Associate Superintendent for Business and Operations
Matthew Neuschwender, District Treasurer
Debbie Virga, District Clerk

School District Attorney

Lamb & Barnosky, LLP
Melville, New York

* * *

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

* * *

MUNICIPAL ADVISOR

Munistat
Municipal Financial Advisory Service
Since 1977

12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: http://www.munistat.com

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor there any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the District from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

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OFFICIAL STATEMENT

COMMACK UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

Relating To

$36,000,000* TAX ANTICIPATION NOTES FOR 2022-2023 TAXES
(the "Notes")

This Official Statement, including the cover page and appendix hereto, presents certain information relating to the Commack Union Free School District in the County of Suffolk, State of New York (the "District," "County" and "State," respectively) in connection with the sale of $36,000,000* Tax Anticipation Notes for 2022-2023 Taxes (the "Notes").

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has affected education, travel, commerce, financial markets globally and economic growth worldwide. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this world-wide event. (See "RISK FACTORS" and "IMPACT OF COVID-19" herein.)

THE NOTES

Description

The Notes will be dated and will mature, without option of prior redemption, as reflected on the cover page hereof.

The District will act as Paying Agent for any Notes issued in book-entry form and the purchaser(s) will serve as paying agent for the Notes registered in the name of the purchaser(s). Paying agent fees, if any, will be paid by the purchaser(s). The District's contact information is as follows: Laura Newman, Associate Superintendent for Business and Oprations, Commack Union Free School District, Hubbs Administration Center, 480 Clay Pitts Road, East Northport, New York 11731, Phone (631) 912-2005, Fax (631) 261-0039 and email: lnewman@commack.k12.ny.us.

Optional Redemption

The Notes will not be subject to redemption prior to their maturity.

Book-entry-only System

In the event that the Notes are issued in book-entry form, DTC will act as securities depository for the Notes and the Notes will be issued as fully-registered notes registered in the name of Cede & Co., (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each Note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

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*Preliminary, subject to change.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

Authorization for and Purpose of Notes

The Notes are issued pursuant to the Constitution and laws of the State, including Sections 24.00 and 39.00 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and a tax anticipation note resolution adopted by the Board of Education of the District to finance cash flow requirements in anticipation of the collection of 2022-2023 real property taxes levied for school purposes on all taxable real property in the District. The proceeds of the Notes may be used only for the purposes for which such taxes have been or are to be levied, as specified in the 2022-2023 annual budget of the District, unless all of said purposes have been paid and satisfied, in which case the proceeds of the notes may be used for any lawful school purpose. The proceeds of the Notes will not be used for the redemption or renewal of any outstanding tax anticipation or revenue anticipation notes.

Pursuant to Section 24.00(e) of the Local Finance Law, generally, whenever the amount of the Notes and any additional tax anticipation notes issued by the District in anticipation of the receipt of 2022-2023 real property taxes equals the amount of such taxes remaining uncollected, the District is required to set aside in a special bank account all of such uncollected taxes as thereafter collected, and to use the amounts so set aside only for the purpose of paying such Notes. Interest on the Notes will be provided from budget appropriations.

Security and Source of Payment

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District, subject to certain statutory limitations imposed by the Chapter 97 of the New York Laws of 2011, as amended. See "*Tax Levy Limit Law*" herein.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law, (herein referred to as the "Tax Levy Limit Law" or "Law"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such year to year increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (such as the Notes), revenue anticipation notes, budget notes and deficiency notes, and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "*The Tax Levy Limit Law,*" herein.)

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owner of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk* v. *Municipal Assistance Corp*., 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

SECTION 99-B OF THE STATE FINANCE LAW APPLICABLE TO SCHOOL DISTRICTS

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

NO PAST DUE DEBT

No principal or interest payment on District indebtedness is past due. The District has never defaulted in the payment of the principal of and/or interest on any indebtedness.

BANKRUPTCY

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

THE DISTRICT

Description

The District is situated in the towns of Huntington and Smithtown, Suffolk County, New York, and is approximately 40 miles from New York City. It has an area of approximately 14.6 square miles. It is largely residential in character, but there are shopping and commercial centers located within the District and in the outlying area. School, hospital, banking, recreation, water, gas and electric facilities are available to the residents of the District. Police protection is furnished by the Suffolk County Police Department and fire protection is furnished by the Commack Fire Department, Dix Hills Fire Department, and East Northport Fire Department.

The District is largely suburban in character due to its proximity to New York City. The District includes the unincorporated area of Commack, and parts of the unincorporated areas of East Northport, Dix Hills and Smithtown.

The District is located one mile from the Long Island Rail Road. Major highways serving the area are the Long Island Expressway (I-495), Jericho Turnpike (NY25), Northern State Parkway and Sagtikos State Parkway.

Water, electric, gas, telephone, fire and police protection are provided to residents of the District by the following:

Greenlawn Water District
Suffolk County Water Authority
Keyspan Energy Corp.
Verizon
Various Fire Districts
Suffolk County Police Department

District Organization

The District is an independent entity governed by an elected board of education comprised of five members. District operations are subject to the provisions of the Education Law affecting school districts; other statutes applicable to the District include the General Municipal Law, the Local Finance Law and the Real Property Tax Law.

Members of the Board of Education are elected on a staggered term basis by qualified voters at the annual election of the District held on the third Tuesday in May. The term of office for each board member is 3 years and the number of terms that may be served is unrestricted. A president is selected by the board from its members and also serves as the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

The Board of Education appoints the Superintendent of Schools, who serves pursuant to an employment agreement with the Board. Such Superintendent is the chief executive officer of the District and the education system. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board of Education. Also, certain of the financial functions of the District are the responsibility of the Superintendent of Schools and Associate Superintendent for Business and Operations.

Enrollment History

The following table presents the past school enrollment for the District.

School Year	School Enrollment
2017-18	6,142
2018-19	5,981
2019-20	5,876
2020-21	5,714
2021-22	5,531

Source: District Officials.

Projected Future Enrollment

The following table presents the projected future school enrollment for the District.

School Year	School Enrollment
2022-23	5,379
2023-24	5,255
2024-25	5,255

Source: District Officials.

District Facilities

The District operates fourteen schools and offices; statistics relating to each are shown below.

Name of School	Grades	Date of Construction	Date of Last Addition	Capacity
Indian Hollow School	Primary	1963	2002	690
North Ridge School	Primary	1962	2002	780
Rolling Hills School	Primary	1967	-	690
Wood Park School	Primary	1961	2002	780
Sawmill Intermediate School	Intermediate	1972	2002	1,000
Burr Intermediate School	Intermediate	1972	2002	1,000
Commack High School	High School	1962	2002	2,100
Commack Middle School	Middle School	1968	2002	2,000
Grace L. Hubbs Administration	Administration	1964	2002	510
Leased Schools:				
Long Acres	N/A	1963	-	780
Smiths Lane	N/A	1962	-	670
Sagtikos	N/A	1967	-	510
Cedar Road	N/A	1961	-	700
Old Farms	N/A	1961	-	510

Employees

The collective bargaining agents, if any, which represent employees and the dates of expirations of the various collective bargaining agreements are as follows:

Name of Union	Expiration Date of Contract	Approx. No. of Members
Commack Teachers Association	6/30/2023	677
Commack Schools Secretarial Association	6/30/2023	63
Commack Administrative & Supervisory Association	6/30/2023	24
Commack Teachers Aides Association	6/30/2022[a]	189
Local 237, IBT, Long Island Division	6/30/2023	82

a. Expired, currently in negotiations.

Source: District Officials

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

The following table sets forth population statistics for the District, the Towns of Huntington and Smithtown and Suffolk County.

Year	District	Town of Huntington	Town of Smithtown	Suffolk County
2006	38,030	201,708	120,881	1,507,211
2007	38,045	201,894	121,208	1,511,732
2008	38,052	201,773	121,233	1,513,435
2009	38,148	202,197	121,817	1,518,475
2010	38,148	203,264	117,801	1,493,350
2020	38,642	201,205	116,428	1,481,364

Income Data

Income Data is not available for the District as such. The smallest area for which such statistics are available, and which includes the towns of Smithtown and Huntington. The data set forth below with respect to the County and State are included for information only. It should not be inferred from the inclusion of such data in this Statement that the County or State are necessarily representative of the District, or vice versa.

	Per Capita Money Income			
	1990	2000	2010	2020[a]
Town of Smithtown	$21,465	$31,401	$43,022	$56,846
Town of Huntington	24,810	36,390	45,590	61,103
Suffolk County	18,481	26,577	35,411	46,466
State of New York	16,501	23,389	30,791	40,898

	Median Household Income			
	1990	2000	2010	2020[a]
Town of Smithtown	$60,068	$80,421	$104,076	$122,039
Town of Huntington	60,530	82,528	101,495	131,519
Suffolk County	49,128	65,288	84,235	105,362
New York State	32,965	43,393	55,217	71,117

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimate (2016-2020)

Major Employers in the District

Company	Product or Type	Employment Code
Commack UFSD	School System	A
ABC Sunray Co.	Oil Burners	D
Tempo Instruments & Controls Corp.	Solid State Controls	D
Thermal Profiles, Inc.	Molded Plastic Products	D

Employment Code	Number of Employees
A	More than 1,000
B	500 to 1,000
C	250 to 499
D	100 to 249

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available are the towns of Smithtown and Huntington, the County of Suffolk and the State. The information set forth below is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the District is necessarily representative of these areas vice versa.

Annual Averages:	Town of Smithtown	Town of Huntington	Suffolk County	New York State
2017	3.8	4.0	4.4	4.6
2018	3.3	3.4	3.9	4.1
2019	3.3	3.3	3.7	4.0
2020	7.6	7.9	8.5	10.0
2021	4.2	4.5	4.9	7.2
2022 (7 Months)	2.6	2.8	3.3	4.7

Source: Department of Labor, State of New York

INDEBTEDNESS OF THE DISTRICT

Constitutional and Statutory Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Notes:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes (such as the Notes) or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the period of probable usefulness of the object or purpose determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purpose for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. (See *"The Tax Levy Limit Law"* herein).

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The Board of Education, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principle amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes previously received by the District.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Notes. However, such finance board may delegate the power to sell the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any school district purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

The following table sets forth the computation of the debt limit of the District and its debt contracting margin:

Computation of Debt Limit and Debt Contracting Margin
(As of September 12, 2022)

In Town of:	Assessed Valuation	State Equalization Rate	Full Valuation
Huntington (2021-2022) [a]	$19,512,077	0.74%	$2,636,767,162
Smithtown (2021-2022) [a]	47,462,667	1.12%	4,237,738,125
Total			$6,874,505,287
Debt Limit - 10% of Full Valuation			$687,450,529
Inclusions: [b]			
Outstanding Bonds			$49,095,000
Bond Anticipation Notes			0
Total Indebtedness			49,095,000
Exclusions (Estimated Building Aid) [c]			31,273,515
Total Net Indebtedness			17,821,485
Net Debt Contracting Margin			$669,629,044

a. The latest completed assessment roll for which a State Equalization Rate has been established.
b. Tax Anticipation Notes, Energy Performance Lease and Revenue Anticipation Notes are not included in computation of the debt contracting margin of the District.
c. Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes, based on the most recent information received by the District from the State Department of Education. The amount shown is not necessarily the amount the District will ultimately receive. The District has not applied for a building aid exclusion certificate from the Commissioner of Education and therefore may not exclude such amount from its total indebtedness on the Debt Statement form required to be filed with the Office of the State Comptroller when bonds are to be issued.

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the District has no short-term debt outstanding.

Trend of Outstanding Indebtedness
As at June 30:

	2018	2019	2020	2021	2022[a]
Bonds	$43,545,000	$37,430,000	$31,565,000	$24,645,000	$49,655,000
BANs	-	-	-	-	-
Other	-	-	-	-	-
Totals:	$43,545,000	$37,430,000	$31,565,000	$24,645,000	$49,655,000

a. Unaudited.
Source: Audited Financial Statements.

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	$ 8,425,000	$1,159,330	$ 9,584,330
2024	7,185,000	896,930	8,081,930
2025	6,320,000	677,974	6,997,974
2026	2,805,000	549,999	3,354,999
2027	2,830,000	493,249	3,323,249
2028	2,870,000	435,424	3,305,424
2029	2,895,000	376,605	3,271,605
2030	2,270,000	317,770	2,587,770
2031	2,290,000	274,680	2,564,680
2032	2,310,000	231,250	2,541,250
2033	2,330,000	187,480	2,517,480
2034	2,355,000	142,540	2,497,540
2035	2,375,000	96,295	2,471,295
2036	2,395,000	48,795	2,443,795
Totals:	$49,655,000	$5,888,321	$55,543,321

Source: Audited Financial Statements.

Debt Service Requirements – 2012 Energy Performance Contract [a]

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	$1,255,368	$144,184	$1,399,552
2024	1,279,333	120,218	1,399,551
2025	1,303,756	95,796	1,399,552
2026	1,328,645	70,907	1,399,552
2027	1,354,009	45,543	1,399,552
2028	1,379,888	19,694	1,399,582
Totals:	$7,900,999	$496,342	$8,397,341

a. The above schedule reflects the refinancing of the 2012 Energy Performance Contract that was completed or closed on August 15, 2020.
Source: Audited Financial Statements.

Debt Service Requirements – 2015 Energy Performance Contract

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	$ 174,339	$ 40,055	$ 214,394
2024	180,725	33,669	214,394
2025	187,345	27,049	214,394
2026	194,207	20,187	214,394
2027	201,321	13,073	214,394
2028	208,695	5,699	214,394
Totals:	$1,146,632	$139,732	$1,286,364

Source: Audited Financial Statements.

Debt Service Requirements – 2019 Taxable Energy Performance Contract

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	$ 60,519	$ 25,592	$ 86,111
2024	62,287	23,824	86,111
2025	64,106	22,005	86,111
2026	65,978	20,133	86,111
2027	67,906	18,205	86,111
2028	69,889	16,222	86,111
2029	71,931	14,180	86,111
2030	74,033	12,078	86,111
2031	76,195	9,916	86,111
2032	78,420	7,691	86,111
2033	80,712	5,399	86,111
2034	83,068	3,043	86,111
2035	42,440	615	43,055
Totals:	$897,484	$178,903	$1,076,387

Source: Audited Financial Statements.

Debt Service Requirements – 2019 Tax-Exempt Energy Performance Contract

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	$ 843,192	$ 271,250	$ 1,114,442
2024	862,611	251,831	1,114,442
2025	882,478	231,964	1,114,442
2026	902,803	211,639	1,114,442
2027	923,595	190,847	1,114,442
2028	944,867	169,575	1,114,442
2029	966,628	147,814	1,114,442
2030	988,890	125,552	1,114,442
2031	1,011,665	102,777	1,114,442
2032	1,034,966	79,476	1,114,442
2033	1,058,802	55,640	1,114,442
2034	1,083,188	31,254	1,114,442
2035	550,913	6,308	557,221
Totals:	$12,054,598	$1,875,927	$13,930,525

Debt Service Requirements – 2021 Tax-Exempt Energy Performance Contract

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	$256,834	$96,876	$353,710
2024	290,937	62,773	353,710
2025	295,259	58,451	353,710
2026	299,645	54,065	353,710
2027	304,096	49,614	353,710
2028	308,613	45,097	353,710
2029	313,198	40,513	353,710
2030	317,850	35,860	353,710
2031	322,572	31,139	353,710
2032	327,363	26,347	353,710
2033	332,226	21,484	353,710
2034	337,161	16,549	353,710
2035	342,170	11,540	353,710
2036	347,253	6,457	353,710
2037	175,556	1,299	176,855
Totals:	$4,570,733	$558,065	$5,128,798

Revenue and Tax Anticipation Notes

The District has generally found it necessary to borrow from time to time in anticipation of taxes and revenues, which borrowing is necessitated by the schedule of real property tax and State aid revenue payments. The following is a history of such tax and revenue anticipation note borrowings for the five most recent fiscal years:

Fiscal Year Ending June 30:	Amount	Type	Issue	Maturity
2018	$28,500,000	TAN	10/10/17	06/27/18
2019	32,000,000	TAN	09/20/18	06/26/19
2020	36,000,000	TAN	10/03/19	06/25/20
2021	36,000,000	TAN	10/27/20	06/25/21
2022	36,000,000	TAN	09/23/21	06/24/22

Authorized and Unissued Debt

The District has authorized and unissued debt in the amount of $35,223,998 outstanding. See "*Capital Project Plans*" herein.

Capital Project Plans

On December 3, 2019, the District voters approved a bond proposition in the amount of $67,523,998 for the construction of alterations and improvements to District buildings and sites. The District started construction in the summer of 2021. See *"Authorized and Unissued Debt"* above.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Suffolk	08/11/22	2.85	$39,357,603	$34,392,453
Town of Huntington	07/05/22	6.79	7,795,260	5,540,696
Town of Smithtown	06/23/22	20.29	8,599,864	7,635,904
Fire Districts (Est.)	12/31/21	Var.	1,150,000	1,150,000
Totals:			$56,902,727	$48,719,053

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

Debt Ratios
(As of September 12, 2022)

	Amount	Per Capita[a]	Percentage of Full Value (%)[b]
Total Direct Debt	$ 49,095,000	$1,271	0.714
Net Direct Debt	17,821,485	$ 461	0.259
Total Direct & Applicable Total Overlapping Debt	105,997,727	$2,743	1.542
Net Direct & Applicable Net Overlapping Debt	66,540,538	$1,722	0.968

a. The current population of the District is 38,642.
b. The 2021-2022 full valuation of taxable property is $6,874,505,287.

FINANCES OF THE DISTRICT

Impact of COVID-19

In December of 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was enacted as the second act of federal relief in response to COVID-19. The CRRSA Act provides approximately $4.3 billion to support schools in the State, with the funds available to be spent through September 2023. This is in addition to the $1.2 billion in Federal Coronavirus Aid, Relief and Economic Security (CARES) Act funding, which can be spent through September 2022. The CRRSA Act provides the State with $4.0 billion through the Elementary and Secondary School Emergency Relief (ESSER) Fund and $323 million through the Governor's Emergency Education Relief (GEER) Fund. Districts may generally use these funds for broad purposes, including general operating and pandemic-related costs such as purchasing personal protective equipment. Additionally, the State has been allocated approximately $9.0 billion under the American Rescue Plan (ARP) Act's Elementary and Secondary School Emergency Relief Fund (ESSER).

The District has received $621,206 in CARES Act funding. The District is expected to receive a total of $7,027,689 through CRRSA and ARP funding. (See also "*State Aid*" herein.)

Independent Audit

The financial affairs of the District are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the District has complied with the requirements of various state and federal statutes. The financial statements of the District are audited each year by an independent public accountant. The last such audit covers the fiscal year ended June 30, 2021. A copy of such report is included herein as Appendix C.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the GML, the District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District, itself; (5) certificates of participation issued in connection with installment purchase agreements entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

All of the foregoing investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided by Section 10 of the GML.

The Board of Education of the District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

Fund Structure and Accounts

The General Fund is the general operating fund for the District and is used to account for substantially all revenues and expenditures of the District. The District also maintains a special aid fund, school lunch fund and special purpose fund. In addition, a capital projects fund is used to record capital facility projects, while an agency fund accounts for assets received by the District in a fiduciary capacity.

Basis of Accounting

The district-wide and fiduciary fund financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transaction, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, grants and donations. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the related expenditures are incurred.

The fund statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Budget Process

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated and the first draft of the next year's proposed budget is developed by the central office staff. During the winter and early spring, the budget is developed and refined in conjunction with the school building principals and department supervisors. The District's budget is subject to the provisions of the Tax Levy Limit Law, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. (See *"The Levy Limit Law"* herein).

On May 17, 2022, a majority of the voters of the District approved the District's budget for the 2022-2023 fiscal year. Summaries of the District's Adopted Budgets for the fiscal years 2021-2022 and 2022-2023 may be found in Appendix A, herein.

Revenues

The District receives most of its revenue from a real property tax on all non-exempt real property situated within the District and State aid. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See *"Tax Information"* herein.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the school districts can be paid only if the State has such monies available for such payment.

The following table sets forth the percentage of the District's General Fund revenue comprised of State aid for each of the fiscal years 2017 through 2021, and the amounts budgeted for 2022 and 2023.

Fiscal Year Ending June 30:	General Fund Total Revenue	State Aid	State Aid to Revenues (%)
2017	$178,665,559	$39,633,711	22.18
2018	181,106,613	39,788,677	21.97
2019	186,804,530	39,709,719	21.26
2020	188,457,881	40,147,594	21.30
2021	190,183,893	40,151,160	21.11
2022 (Budgeted)[a]	205,126,576	42,001,181	20.48
2023 (Budgeted)[a]	214,645,326	43,863,590	20.44

Source: Audited Financial Statements of the District and Adopted Budgets of the District.

a. Budgeted revenues include the application of reserves and fund balance.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (See "*STAR – School Tax Exemption*" herein).

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Due to the outbreak of COVID-19 the State initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19 including closing schools and non-essential businesses for an extended period. The use of federal stimulus funds has allowed the State to avoid gap closing measurements; however, the State may be required to implement gap closing measurements in the future. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State's 2022-23 Enacted Budget provides $31.3 billion in State funding to school districts for the 2022-23 school year the highest level of State aid ever. This represents a year-to-year funding increase of $2.1 billion or 7.07% and includes $21.4 billion of Foundation Aid which increased 8.1% from 2021-22. The 2022-23 school year increase in Foundation Aid primarily reflects the second year of the three-year phase-in of full funding of the current Foundation Aid formula.

The State's 2022-23 Enacted Budget also increases the State's annual investment in prekindergarten to $1.1 billion, an increase of $125 million, or 13%. The Enacted Budget also includes a total of $100 million of matching funds over two years to be provided to school districts and BOCES with the highest needs to address student wellbeing and learning loss in response to the trauma brought about by the COVID-19 pandemic. This includes support for extended school day or school year programs, afterschool programs, mental health professionals and other locally determined initiatives.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2022-23 Enacted Budget was adopted on April 9, 2022. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, the COVID-19 pandemic, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revisions. Reductions in federal funding levels could have a materially adverse impact on the State budget.

In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of state aid could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance law to provide operating funds by borrowing in anticipation of the receipt of uncollected State Aid.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as Foundation Aid. The stated purpose of Foundation Aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date. (See also "*School district fiscal year (2021-2022)*" under the subheading "*Events Affecting State Aid to New York School Districts*" herein.)

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2021, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of Foundation Aid funding is set forth below:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts

Events Affecting State Aid to New York School Districts

Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years. However, as discussed below the COVID-19 pandemic has affected and is expected to continue to affect State aid to school district.

School district fiscal year (2018-2019): The State's 2018-2019 Budget provided for school aid of approximately $26.7 billion, an increase of approximately $1.0 billion in school aid spending from the 2017-2018 school year. The majority of the increases were targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.2% and building aid increased by 4.7%. The State 2018¬2019 Budget continued to link school aid increases for 2018-2019 and 2019-2020 to teacher and principal evaluation plans.

School district fiscal year (2019-2020): The State's 2019-2020 school year, the State's Enacted Budget included a total of $27.9 billion for School Aid, a year-to-year funding increase of approximately $1.2 billion. The majority of the increases were targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education will continue in full, as is the State's usual practice. Transportation aid increased by approximately 4.5% and building aid increased by approximately 3.7%. The State 2019¬2020 Enacted Budget continued to link school aid increases for 2019-2020 and 2020-2021 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was expected to total $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflect current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues came in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "*State Aid*" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget and recent releases by the State regarding the projected revenue shortfalls in such budget.

School district fiscal year (2021-2022): For the 2021-2022 school year, the State's Enacted budget provided $29.5 billion in State funding to school districts for the 2021-2022 school year through School Aid, the highest level of State aid ever, supporting the operational costs of school districts that educate 2.5 million students statewide. This investment represented an increase of 11.3% ($3.0 billion) compared to the 2020-2021 school year, including a $1.4 billion (7.6%) Foundation Aid increase. The Enacted budget allocated $13 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, will help schools safely reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The Budget allocated $629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the Budget used $105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-2022 school year.

School district fiscal year (2022-2023): For the 2022-2023 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2% compared to the 2021-2022 school year and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-2023 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds buy $125 million to expand access to full-day prekindergarten programs for four-year old children in school districts statewide in the 2022-23 school year.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the remainder of the current fiscal year. The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. (See also "*Risk Factors*").

Expenditures

The major categories of expenditure for the District are General Support, Instruction, Employee Benefits, Pupil Transportation and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A.

The State Comptroller's Fiscal Stress Monitoring System and OSC Compliance Reviews

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school districts and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the Office of the State Comptroller (OSC). Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of OSC designates the District as "No Designation" (Fiscal Score: 0.0%; Environmental Score: 5.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit was released on May 8, 2020. The purpose of the audit was to determine whether the District officials properly monitored and safeguarded information technology (IT) assets. The complete report, along with the District's response, may be found on the OSC's official website.

References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Employee Pension System

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System ("TRS"). Employer pension payments to the TRS are generally deducted from State aid payments. All non-NYS certified/civil service employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System ("ERS"). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year's full-time service contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, the Governor signed in to law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010 and before March 31, 2012. ERS employees contribute 3% of their salaries and TRS employees contribute 3.5% of their salaries. There is no provision for these employee contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. This new pension tier has progressive employee contribution rates between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier is 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at $15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of $75,000 or more.

Under current law, the employer pension payments for a given fiscal year are based on the value of the pension fund on the prior April 1 thus enabling the District to more accurately include the cost of the employer pension payment in its budget for the ensuing year. In addition, the District is required to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower payment possible. The annual employer pension payment is due on February 1 of each year.

Due to poor performance of the investment portfolio of TRS and ERS during the recent financial crisis, the employer contribution rates for required pension payments to the TRS and ERS increased substantially. To help mitigate the impact of such increases, various forms of legislation have been enacted that permitted school districts to amortize a portion of its annual employer pension payments. The District has not amortized any of its employer pension payments pursuant to such legislation and expects to continue to pay all payments in full when due.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year.

The following chart represents the TRS and ERS required contributions for each of the last five completed fiscal years and the amounts budgeted for the 2023 fiscal year.

Fiscal Year Ending June 30:	TRS	ERS
2018	$7,975,828	$2,265,479
2019	8,773,932	2,259,189
2020	7,177,233	2,220,418
2021	7,730,989	2,427,156
2022	7,932,547	2,095,028
2023 (Budgeted)	8,705,850	2,100,000

Source: District Officials.

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended June 30, 2018, the District adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 75, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the employer's current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost. Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

The District's total OPEB liability at June 30, 2021 is as follows:

Total OPEB Liability at June 30, 2020	$223,649,037
Charges for the Year:	
Service Cost	7,845,908
Interest	5,068,197
Changes of Benefit Terms	
Change of Demographic Gains or Losses	(29,389,943)
Change in Assumptions or other Inputs	15,036,813
Benefit Payments	(4,353,365)
Net Changes	(5,792,390)
Total OPEB Liability at June 30, 2021	$217,856,647

The OSC has recently proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments. The District cannot predict at this time whether such proposed legislation will be enacted into law. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the District has decided to continue funding the expenditure on a pay-as-you-go basis.

Should the District be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

In some recent years, OSC has proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments. The District cannot predict at this time whether such proposed legislation will be enacted into law. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the District has decided to continue funding the expenditure on a pay-as-you-go basis.

Should the District be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

TAX INFORMATION

Real Property Taxes

The District derives its power to levy an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the Towns of Huntington and Smithtown. Assessment valuations are determined by the Town assessors and the State Board of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation or debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations; however, see "*The Tax Levy Limit Law*" herein for a discussion of certain statutory limitation that have been imposed.

The following table sets forth the percentage of the District's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2017 through 2021, and the amounts budgeted for 2022 and 2023.

Fiscal Year Ending June 30:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
2017	$178,665,559	$118,469,964	66.31
2018	181,106,613	121,143,911	66.89
2019	186,804,530	125,384,628	67.12
2020	188,457,881	131,681,971	69.87
2021	190,183,893	135,226,956	71.10
2022 (Budgeted)	205,126,576	146,818,484	71.57
2023 (Budgeted)	214,645,327	149,681,444	69.73

Source: Audited Financial Statements of the District and Adopted Budgets of the District.

a. Budgeted estimates for real property taxes include STAR. Budgeted estimates for total revenues do not include appropriations of fund balance.

Tax Collection Procedure

Property taxes for the District, together with County, Town and Fire District taxes, are collected by the Town Tax Receivers. Such taxes are due and payable in equal installments on December 1 and May 10, but may be paid without penalty by January 10 and May 31, respectively. Penalties on unpaid taxes are 1% per month from the date such taxes are due and 10% after May 31.

The Town Tax Receivers distribute the collected tax money to the Towns, fire and school districts prior to distributing the balance collected to the County. Uncollected amounts are not segregated by the Receivers and any deficiency in tax collection is the County's liability. The District thereby is assured of full tax collection.

The Tax Levy Limit Law

Chapter 97 of the New York Laws of 2011, as amended, (herein referred to as the "Tax Levy Limit Law" or "Law") modified previous law by imposing a limit on the amount of real property taxes that a school district may levy.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Under the Tax Levy Limit Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (such as the Notes), revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $66,800 for the 2018-19 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $500,000 are eligible for a $30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Enacted Budget included changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year's amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year's STAR credit check or taxpayers also may account for those changes in their State income taxes.

The 2019-20 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared with a $500,000 limit for the Credit. The amount of the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

The State's 2020-21 Enacted Budget withholds STAR benefits to taxpayers who are delinquent in the payment of their school taxes and maintains the income limit for the exemption to $250,000, compared with a $500,000 limit for the credit.

Approximately 12% of the District's 2021-2022 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 12% of the District's 2022-2023 school tax levy is expected to be exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January 2023. (See *"State Aid"* herein).

Valuations, Rates and Levies

The anticipated tax levy for the 2022-2023 year is $149,681,444.

The following table sets forth the District's assessed and full valuations, tax rates and levies for the years 2018-2022.

	2018	2019	2020	2021	2022
Assessed Valuation:					
Town of:					
Huntington	$ 19,815,011	$ 19,707,467	$ 19,664,891	$ 19,627,851	$ 19,512,077
Smithtown	47,025,331	47,779,919	47,293,935	47,436,283	47,462,667
Total Assessed Valuation	$ 66,840,342	$ 67,487,386	$ 66,958,826	$ 67,064,134	$ 66,974,744
Equalization Rates:					
Town of:					
Huntington	0.84%	0.80%	0.76%	0.74%	0.74%
Smithtown	1.23%	1.23%	1.16%	1.15%	1.12%
Full Valuation:					
Town of:					
Huntington	$ 2,358,929,881	$ 2,463,433,375	$ 2,587,485,658	$ 2,652,412,297	$ 2,636,767,162
Smithtown	3,823,197,642	3,884,546,260	4,077,063,362	4,124,894,174	4,237,738,125
Total Full Valuation	$ 6,182,127,523	$ 6,347,979,635	$ 6,664,549,020	$ 6,777,306,471	$ 6,874,505,287

Real Property Taxes

	2018	2019	2020	2021	2022
Total Tax Levy	$ 135,067,651	$ 138,464,368	$ 142,545,140	$ 145,217,600	$ 146,424,453
Tax Rate per $1,000 Assessed Valuation					
Town of:					
Huntington	$ 2,639.43	$ 2,725.55	$ 2,814.59	$ 2,897.84	$ 2,883.83
Smithtown	$ 1,696.31	$ 1,769.07	$ 1,838.86	$ 1,861.63	$ 1,898.34

Selected Listing of Large Taxable Properties in the District
2021-2022 Assessment Roll

Name	Type	Full Valuation
Long Island Power Authority	Utility	$80,379,580
Arlona LTD Partnership	Shopping Center	37,782,481
Commack Marketing	Shopping Center	35,567,883
Commack Shopping Center Assoc.	Shopping Center	34,160,583
PJ Venture II LLC	Large Retail Outlet	24,671,532
Groton Equities.	Apartments	22,671,532
PJ Venture F.G. LLC	Large Retail Outlet	22,627,737
LG Commack Associates LLC	Commercial	22,222,222
PSEG Long Island	Utility	21,058,680
Target Corporation	Large Retail Outlet	20,437,956
PJ Venture Co. LLC	Large Retail Outlet	18,467,153
Home Box Office	Commercial	17,503,649
PJ Venture H.D. LLC	Large Retail Outlet	12,773,722
Lowe's Home Centers, Inc.	Large Retail Outlet	12,664,233
Commack CHI, LLC	Commercial	10,948,905
	Total[a]	$393,937,848

a. Represents 5.73% of the Assessed Valuation of the District for 2021-2022.
Source: Town Assessment Roll.

Tax Certiorari Claims

In common with other school districts, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of District taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. There are no significant claims filed by the larger taxpayers at this time. (See "*Tax Collection Procedure*" herein.)

LITIGATION

There is a personal injury claim (*H.R. v. Commack Union Free School District, et. al.*) pending against the District which poses significant liability to the District. The claim is covered by $26 million in insurance coverage. Counsel appointed by the insurance company has advised the District that the claim should not exceed the District's insurance coverage.

The *H.R. v. Commack U.F.S.D.* (614483/2016) litigation remains pending. The note of issue was filed on October 8, 2019. Earlier this year, the District and High School filed a motion to vacate the note of issue and compel additional discovery, however that motion was denied by Justice Rebolini. Currently being briefed are two separate motions filed by plaintiff for summary judgment. One against the District, the High School and Defendant Felix Adamkiewicz, and another against Defendant Doyle Baseball, Inc.

Justice Rebolini granted plaintiff's motion against Commack District/High School and Felix Adamkiewicz on the issue of liability and dismissed the affirmative defense of assumption of the risk, but is keeping open the issue of plaintiff's comparative negligence. The court denied Doyle Baseball's motion for summary judgment. There is ample coverage and the carrier AIG is continuing efforts to try to resolve the case prior to trial.

Child Victims Act

There have been five claims filed against the District and a description of each claim is listed below:

A female individual has commenced a lawsuit alleging a sexual assault by a male teacher in the Fall of 1967 and Spring of 1968 when the individual was ten or eleven years old. The filed complaint is rendered timely by the NY CPLR §§ 208 and 214-g which provide a window for civil claims or causes of action to be brought by any person for physical, psychological or other injury or condition suffered by such person as a result of conduct which would constitute a sexual offense as defined in the penal law committed against such person who was less than eighteen years of age.

The lawsuit was commenced on June 26, 2020 and served on the District on July 8, 2020. The District joined issue by filing an answer on July 29, 2020. As pretrial discovery is just commencing and the District has limited information at this time, it is impossible to evaluate the case from a damages perspective. Nothing in the District documents have shed any light on the allegations. The District's counsel anticipates a deposition of the plaintiff which should provide the District with more information as to the claimed emotional and psychological injuries and permit the District to assess her veracity, etc., at which time the District will be in a better position to assess potential damages exposure. To date, the plaintiff has mad no effort to move her case forward, therefore, the District still is not able to assess potential damage exposure.

A male individual has filed and served a Summons with Notice alleging claims of negligence, negligent hiring, retention and supervision, negligent infliction of emotional distress, intentional infliction of emotional distress, assault and battery by a male employee in or about 1979. The District has demanded that plaintiff file a complaint. The Summons with Notice is rendered timely by the NY CPLR §§ 208 and 214-g which provide a window for civil claims or causes of action to be brought by any person for physical, psychological or other injury or condition suffered by such person as a result of conduct which would constitute a sexual offense as defined in the penal law committed against such person who was less than eighteen years of age.

The lawsuit was commenced on August 25, 2020 and served on the District on September 11, 2020. The demand for a complaint was served on September 14, 2020. As pretrial discovery has not commenced and the District has limited information at this time, it is impossible to evaluate the case from a damages perspective. Nothing in the District documents have shed any light on the allegations. The District's counsel anticipates a deposition of the plaintiff which should provide the District with more information as to the claimed emotional and psychological injuries and permit the District to assess his veracity, etc., at which time the District will be in a better position to assess potential damages exposure. The parties are currently scheduling the deposition of the plaintiff. Until that takes place the District is not in a position to assess potential damage exposure.

A male individual has commenced a lawsuit alleging sexual abuse by a male employee during the 1980-1981 school year when the individual was in seventh grade. The filed complaint is rendered timely by the NY CPLR Section 208 and 214-g which provide a window for civil claims or causes of action to be brought by any person for physical, psychological, or other injury or condition suffered by such person as a result of conduct which would constitute a sexual offense as defined in the penal law committed against such person who was less than eighteen years of age.

The lawsuit was commenced in April of 2021. The District joined issue by filing an answer in August 2021. The District has served discovery demands to which the plaintiff has responded. The plaintiff's deposition is scheduled for August. At this time, it is impossible to evaluate the case from a damages perspective. The District's counsel anticipates that the deposition of the plaintiff should provide the District with more information as to the claimed damages/injuries and permit the District to assess his veracity, etc. Once the deposition of the plaintiff is completed, the District will be in a better position to assess potential damages exposure.

A male individual has commenced a lawsuit alleging sexual abuse by a male employee during the 1970-1971 school year when the individual was in fifth grade. The filed complaint is rendered timely by the NY CPLR Section 208 and 214-g which provide a window for civil claims or causes of action to be brought by any person for physical, psychological, or other injury or condition suffered by such person as a result of conduct which would constitute a sexual offense as defined in the penal law committed against such person who was less than eighteen years of age.

The lawsuit was commenced in May 2021. The District joined issue by filing an answer in December of 2022. We are in the process of conducting discovery and scheduling depositions and therefore the District has limited information. At this time, it is impossible to evaluate the case from a damages perspective. The District's counsel anticipates that the deposition of the plaintiff should provide the District with more information as to the claimed damages/injuries and permit the District to assess his veracity, etc. Once the deposition of the plaintiff is completed, the District will be in a better position to assess potential damages exposure.

A male individual has commenced a lawsuit alleging sexual abuse by a male Boy Scout Troup leader during the 1968 and 1969. The individual further alleged that the District was a sponsoring agency for the Boy Scout Troop, making the District liable for the Troop leader. The filed complaint is rendered timely by the NY CPLR Section 208 and 214-g which provide a window for civil claims or causes of action to be brought by any person for physical, psychological, or other injury or condition suffered by such person as a result of conduct which would constitute a sexual offense as defined in the penal law committed against such person who was less than eighteen years of age.

The lawsuit was commenced, and the answer was due November 19, 2021. However, the Boy Scouts have intervened in the case. Consistent with the bankruptcy proceeding in Delaware, all Child Victim Act cases in which the Boy Scouts are a party or for which a sponsoring agency is sued have been stayed. It is impossible to evaluate the case from a damages perspective at this time. Once the stay is lifted, and the parties engage in discovery, the District will have more information and be in a better position to assess potential damages exposure.

Various plaintiffs commenced a lawsuit alleging sexual abuse by their respective Boy Scout Troop leaders in various years. One of the plaintiffs asserted a claim against the District. That plaintiff alleges that the District was a sponsoring agency for the Boy Scout Troop, making the District liable for the Troop leader. The individual further alleged that the District was a sponsoring agency for the Boy Scout Troop, making the District liable for the Troop leader. The filed complaint is rendered timely by the NY CPLR Section 208 and 214-g which provide a window for civil claims or causes of action to be brought by any person for physical, psychological, or other injury or condition suffered by such person as a result of conduct which would constitute a sexual offense as defined in the penal law committed against such person who was less than eighteen years of age.

Consistent with the bankruptcy proceeding in Delaware, all Child Victim Act cases in which the Boy Scouts are a party or for which a sponsoring agency is sued have been stayed. It is impossible to evaluate the case from a damages perspective at this time. Once the stay is lifted, and the parties engage in discovery, the District will have more information and be in a better position to assess potential damages exposure.

Other Litigation

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the District, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the District has not asserted a substantial and adequate defense, nor which, if determined against the District, would have an adverse material effect on the financial condition of the District.

CYBERSECURITY

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls. However, the District can give no assurances that such security and operational control measures will be entirely successful in guarding against cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems, and the costs of remedying any such damage could be substantial. The District carries cyber-liability insurance to mitigate such costs, which covers costs associated with recovering data and securing the network due to a breach.

RISK FACTORS

There are certain potential risks associated with an investment in the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The District’s credit rating could be affected by circumstances beyond the District’s control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the District’s credit rating could adversely affect the market value of the Notes.

If and when an owner of any of the Notes should elect to sell all or a part of the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 pandemic and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for extended periods. The spread of the outbreak or resurgence could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein).

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*TAX MATTERS*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See "*The Tax Levy Limit Law*" under "TAX INFORMATION" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Notes.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement this opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a note with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of the Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a "Discount Note"), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner's adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "note premium" on that Note (a "Premium Note"). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner's yield over the remaining term of the Premium Note determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of note premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of note premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) or such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, substantially as set forth in Appendix D hereto.

DISCLOSURE UNDERTAKING

In order to assist the purchasers of the Notes in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will execute an "Undertaking to Provide Continuing Disclosure", substantially in the form of which is attached hereto as Appendix E.

RATING

The Notes are not rated. Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761, has assigned a rating of "Aa2" to the outstanding long-term bonds of the District. Such rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price and the availability of a secondary market for the outstanding bonds and notes of the District.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the business office of the District: Laura Newman, Associate Superintendent for Business and Oprations, Commack Union Free School District, Hubbs Administration Center, 480 Clay Pitts Road, East Northport, New York 11731, Phone (631) 912-2005, Fax (631) 261-0039 and email: lnewman@commack.k12.ny.us or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District's management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District's documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Munistat Services, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the District also assume no liability or responsibility for any errors or omissions or unauthorized editing or for any updates to dated website information.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be, in fact, realized. This Official Statement is not to be construed as a contract or agreement between the District and the original purchasers or owners of any of the Notes.

By: s/s JUSTINE VARUGHESE
President of the Board of Education
Commack Union Free School District
East Northport, New York

September , 2022

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Equity
General Fund

	Fiscal Year Ending June 30: 2017	2018	2019	2020	2021
Revenues:					
Real Property Taxes	$ 118,469,964	$ 121,143,911	$ 125,384,628	$ 131,681,971	$ 135,226,956
Other Tax Items	15,164,429	14,993,262	14,152,563	11,990,933	11,854,722
Charges for Services	1,962,430	1,743,730	1,574,169	1,267,427	764,816
Use of Money and Property	1,780,122	2,185,780	2,409,889	2,194,565	1,590,781
Sale of Property & Comp. for Loss	227,089	70,331	270,741	158,570	84,001
Miscellaneous	1,281,021	1,013,351	3,169,436	943,658	401,256
Interfund Revenue	18,805				
State Sources	39,633,711	39,788,677	39,709,719	40,147,594	40,151,160
Federal Sources	0	167,571	133,385	73,163	110,201
Medicaid Reimbursement	127,988				
Total Revenues	178,665,559	181,106,613	186,804,530	188,457,881	190,183,893
Expenditures:					
General Support	18,392,031	19,265,912	19,032,819	19,215,006	19,813,174
Instruction	101,136,524	103,587,672	106,248,268	102,264,755	105,434,237
Pupil Transportation	12,052,429	12,782,092	12,899,409	9,682,911	13,410,091
Employee Benefits	36,862,660	36,830,296	38,705,967	37,067,866	37,829,704
Debt Service	1,814,493	1,850,368	2,099,176	2,003,956	2,904,929
Total Expenditures	170,258,137	174,316,340	178,985,639	170,234,494	179,392,135
Excess (Deficiency) of Revenues over Expenditures	8,407,422	6,790,273	7,818,891	18,223,387	10,791,758
Other Sources & Uses					
Operating Transfers In	750,000	750,000	450,000		(7,983,012)
Operating Transfers (Out)	(9,518,439)	(9,789,195)	(9,917,853)	(9,945,032)	
Total Other Sources (Uses)	(8,768,439)	(9,039,195)	(9,467,853)	(9,945,032)	(7,983,012)
Excess (Deficiency) of Revenues & Other Sources Over Expenditures & Other Uses	(361,017)	(2,248,922)	(1,648,962)	8,278,355	2,808,746
Fund Equity - Beginning of Year	22,746,418	24,299,645	22,050,723	20,401,761	28,680,116
Prior Period Adjustment	1,914,244 [a]				
Fund Equity - End of Year	$ 24,299,645	22,050,723	20,401,761	28,680,116	31,488,862

a. During the 2017 fiscal year year it was determined that receivables due from state and federal, and accounts payable were misstated in prior periods. A net adjustment was made for $1,914,244 to restate the fund balance in the general fund and the net position in the district-wide financial statements at June 30, 2016.

Source: Audited Annual Financial Reports of the School District (2017-2021)

Note: This schedule NOT audited

Balance Sheet
General Fund

	Fiscal Year Ending June 30:		
	June 30, 2019	June 30, 2020	June 30, 2021
Assets:			
Cash - Unrestricted	$ 20,625,492	$ 29,796,526	$ 27,250,364
Cash - Restricted	7,466,380	7,573,627	12,156,215
Accounts Receivable	1,631,263	1,265,205	1,318,350
State and Federal Aid	3,932,333	3,003,412	3,529,524
Due from Other Governments	1,453,777	1,564,189	1,261,967
Due from Fiduciary Fund	98,034	103,272	
Due from Other Funds	1,134,660	1,935,037	223,137
Total Assets	$ 36,341,939	$ 45,241,268	$ 45,739,557
Liabilities:			
Accounts Payable	$ 1,733,243	$ 2,298,222	$ 2,420,545
Accrued Liabilities	1,977,393	1,206,171	840,055
Due to Other Funds		3,318,948	592,317
Due to Teachers' Retirement System	9,075,621	7,467,065	8,050,929
Due to Employees' Retirement System	616,007	600,952	756,447
Collections in Advance	146,043		
Unearned Revenues		78,644	71,566
Unavailable Revenues	2,391,871	1,591,150	1,518,836
Total Liabilities	15,940,178	16,561,152	14,250,695
Fund Balances:			
Restricted	$ 7,466,380	$ 7,573,627	$ 12,156,215
Assigned	7,102,967	7,951,933	11,177,585
Unassigned	5,832,414	13,154,556	8,155,062
Total Fund Balances	20,401,761	28,680,116	31,488,862
Total Liabilities, Deferred Inflows of Resources & Fund Balances	$ 36,341,939	$ 45,241,268	$ 45,739,557

Source: Audited Annual Financial Reports of the School District
NOTE: This schedule NOT audited

Budget Summaries
General Fund

		Fiscal Year Ending June 30: 2022*		2023**
Revenues:				
Real Property Taxes	$	146,818,484	$	149,681,444
Charges for Services		1,016,835		1,016,400
Use of Money and Property		2,110,093		1,758,752
Miscellaneous		2,034,363		2,171,966
State Sources		42,001,181		43,863,590
Appropriated Fund Balance		11,145,620		16,153,174
Total Revenues		205,126,576		214,645,326
Expenditures:				
General Support	$	21,342,068	$	22,485,259
Instruction		112,867,158		115,527,141
Pupil Transportation		15,712,388		16,188,781
Employee Benefits		40,641,434		43,036,601
Debt Service		5,467,003		5,820,714
Interfund Transfers		9,096,525		11,586,830
Total Expenditures	$	205,126,576	$	214,645,326

* The 2021-2022 budget was approved by the voters of the District on May 18, 2021.
** The 2022-2023 budget was approved by the voters of the District on May 17, 2022.

APPENDIX B

CASH FLOWS

COMMACK UNION FREE SCHOOL DISTRICT

CASH FLOW SUMMARY 2021-22 (Actual)
(000's Omitted)

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	TOTALS
Balance *	39,407	32,477	26,567	55,515	45,015	23,493	10,884	72,162	69,513	74,558	64,893	66,228	39,407 [(a)]
Receipts													
Property Taxes	650			1		505	69,462	12,381	1,699	2,328	14,242	41,719	142,987
STAR Payment							9,353						9,353
State Aid	715	873	4,644	298	268	3,245	163	165	18,595	56	1,119	3,451	33,592
Other Receipts	937	2,838	641	3,091	281	1,340	1,365	1,510	1,186	659	1,535	647	16,030
TAN Proceeds			36,369										36,369
Total Receipts	2,302	3,711	41,654	3,390	549	5,090	80,343	14,056	21,480	3,043	16,896	45,817	238,331
Disbursements													
Salaries & Benefits	4,403	4,025	9,538	10,599	10,223	15,851	10,626	10,560	10,807	10,596	10,199	25,735	133,162
Operating Expenses	4,476	3,171	2,815	2,938	5,424	1,495	8,086	4,385	5,169	1,759	4,726	7,340	51,784
TAN Principal												36,000	36,000
TAN Interest												407	407
EPC Debt Service		1,407						1,408					2,815
Debt Service		665			6,072				106		284	1,451	8,578
Library	353	353	353	353	352	353	353	352	353	353	352	353	4,233
Total Disbursements	9,232	9,621	12,706	13,890	22,071	17,699	19,065	16,705	16,435	12,708	15,561	71,286	236,979
Balance	32,477	26,567	55,515	45,015	23,493	10,884	72,162	69,513	74,558	64,893	66,228	40,759	40,759
Note Payment Account													
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Receipts	0	0	0	0	0	0	0	0	0	0	0	36,000	36,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	36,000	36,000
Closing Balance	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Balance as of June 30, 2021

* Opening balance includes certain funds reserved predominantly for Workers' Compensation, Unemployment Insurance, Retirement Contributions, and Employee benefit Accrued Liabilities.

COMMACK UNION FREE SCHOOL DISTRICT

CASH FLOW PROJECTION 2022-23
(000's Omitted)

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	TOTALS
Balance *	40,759	32,736	25,171	16,098	40,440	19,084	2,820	66,077	63,575	68,726	57,918	59,095	40,759 (a)
Receipts													
Property Taxes	511					350	68,541	12,263	1,500	2,550	14,500	46,007	146,222
STAR Payment							9,000						9,000
State Aid	500	700	4,500	300	300	3,000	450	600	18,000	200	900	4,800	34,250
Other Receipts	1,000	2,500	1,050	3,000	500	1,500	800	1,400	1,100	800	800	900	15,350
TAN Proceeds				36,000									36,000
Total Receipts	2,011	3,200	5,550	39,300	800	4,850	78,791	14,263	20,600	3,550	16,200	51,707	240,822
Disbursements													
Salaries & Benefits	4,500	6,000	10,600	10,600	10,600	16,000	10,500	10,500	10,500	10,500	10,500	25,000	135,800
Operating Expenses	5,000	3,000	3,000	4,000	5,000	4,500	4,500	4,500	4,500	3,500	4,000	5,000	50,500
TAN Principal												36,000	36,000
TAN Interest												600	600
EPC Debt Service	177	1,407					177	1,407					3,168
Debt Service			666		6,199	256			92		165	2,207	9,585
Library	357	358	357	358	357	358	357	358	357	358	358	358	4,291
Total Disbursements	10,034	10,765	14,623	14,958	22,156	21,114	15,534	16,765	15,449	14,358	15,023	69,165	239,944
Balance	32,736	25,171	16,098	40,440	19,084	2,820	66,077	63,575	68,726	57,918	59,095	41,637	41,637
Note Payment Account													
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Receipts	0	0	0	0	0	0	0	0	0	0	0	36,000	36,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	36,000	36,000
Closing Balance	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Balance as of June 30, 2022
* Opening balance includes certain funds reserved predominantly for Workers' Compensation, Unemployment Insurance, Retirement Contributions, and Employee benefit Accrued Liabilities.

COMMACK UNION FREE SCHOOL DISTRICT

APPENDIX C

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND /OR UPDATED BY THE DISTRICT'S AUDITORS IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS FOR INCLUSION OF THE AUDITED FINANCIAL REPORT IN THIS OFFICIAL STATEMENT HAS NOT BEEN REQUESTED NOR OBTAINED.

COMMACK UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2021

NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON EXTRACLASSROOM ACTIVITY FUNDS FINANCIAL STATEMENTS

To the Board of Education of the
Commack Union Free School District

We have audited the accompanying statement of cash receipts and disbursements of the various Extraclassroom Activity Funds of the Commack Union Free School District (the "District") for the year ended June 30, 2021, and the related note to financial statement, which collectively comprise the financial statements of the District's Extraclassroom Activity Funds.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Extraclassroom Activity Funds of the Commack Union Free School District for the year ended June 30, 2021 in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of these financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Hauppauge, New York
October 7, 2021

Nawrocki Smith LLP

COMMACK UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Cash Balances July 1, 2020	Receipts	Disbursements	Cash Balances June 30, 2021
High School:				
Art Club	$ 1,508.89	$ 150.00	$ 321.58	$ 1,337.31
ASL	5,460.74	-	244.40	5,216.34
Astronomy Club	347.19	-	-	347.19
Best of Buds	447.00	-	-	447.00
Bible Club	568.70	61.00	-	629.70
Boys Leader Corp.	4,558.92	260.00	500.00	4,318.92
Brainstormers	359.47	120.00	-	479.47
Business	568.01	860.61	1,276.78	151.84
Cause of PAWS	1,268.86	-	-	1,268.86
Chess Club	708.83	-	-	708.83
Class of 2020	22,046.28	100.00	22,146.28	-
Class of 2021	2,729.05	45,750.71	41,154.24	7,325.52
Class of 2022	139.04	5,965.00	4,180.00	1,924.04
Class of 2023	496.60	3,194.00	2,000.11	1,690.49
Class of 2024	1,500.00	-	208.73	1,291.27
Computer Club	1,567.54	-	-	1,567.54
Environmental Awareness	2,757.99	-	-	2,757.99
Etchings	2,494.87	-	-	2,494.87
FASTA	2,836.38	-	-	2,836.38
FBLA	1,229.50	2,472.00	1,864.00	1,837.50
French H.S.	322.95	450.00	707.59	65.36
Future Educators	247.75	-	-	247.75
Future Eng.	3,898.85	-	-	3,898.85
Future Health Professionals	493.09	-	-	493.09
Gay/Straight Alliance	938.57	-	-	938.57
Girl's Leader Corp	4,007.88	-	-	4,007.88
Glamour Girls	349.21	-	-	349.21
Grandfriends	1,615.00	-	-	1,615.00
Greenhouse Club	392.88	-	-	392.88
Habitat for Humanity	891.01	-	-	891.01
Hebrew Culture Club	503.10	-	-	503.10
History	16,847.38	1,970.00	1,390.66	17,426.72
Human Rights Club	262.15	-	-	262.15
ICS	4,288.76	-	500.00	3,788.76
International Thespian Soc.	6,623.15	893.52	1,586.05	5,930.62
Italian	1,548.64	2,055.92	1,748.93	1,855.63
Latin	561.10	243.00	435.78	368.32
LIT	3,700.08	-	1,477.62	2,222.46
Literary Club	144.65	-	-	144.65
Masque and Wig	13,155.20	22,620.30	12,046.85	23,728.65
Math H.S.	3,505.67	1,415.00	796.33	4,124.34
Mock Trial	275.22	-	125.00	150.22
Multimedia Club	160.00	-	-	160.00
NAHS	2,373.83	786.00	1,095.60	2,064.23
National H.S.	680.79	9,022.00	1,750.03	7,952.76
Pathways	143.27	363.00	-	506.27
Pay it Forward	817.21	-	39.11	778.10
Peer Leadership	1,065.95	84.39	-	1,150.34
Photography/Camera Club	1,496.38	-	-	1,496.38
Plan 9 Peer Leadership Adv.	449.25	-	-	449.25
Political Activism	864.24	-	-	864.24
Radio Club	6,428.29	-	-	6,428.29
SADD	268.59	247.10	-	515.69
School Store	406.31	40.00	3.18	443.13
Science H.S.	4,693.05	3,165.00	1,833.93	6,024.12
Science Olympiad	613.86	-	-	613.86
Spanish H.S.	2,446.26	2,035.00	1,914.35	2,566.91
Special Friends	464.97	147.00	-	611.97
Student Council	152,156.53	29,261.42	16,115.98	165,301.97
Tech H.S.	2,025.47	2,280.00	981.68	3,323.79
Tri-M	2,135.12	-	244.40	1,890.72
Yearbook	8,350.03	16,221.94	3,715.09	20,856.88
	$ 306,205.55	$ 152,233.91	$ 122,404.28	$ 336,035.18

The accompanying note is an integral
part of this financial statement.

COMMACK UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Cash Balances July 1, 2020	Receipts	Disbursements	Cash Balances June 30, 2021
Middle School:				
Art Club	$ 42.08	$ -	$ -	$ 42.08
Best Buddies	39.71	-	-	39.71
Digital Media Club	169.63	-	-	169.63
Fashion Club	200.00	-	-	200.00
Flip It	233.51	-	-	233.51
International Cooking Club	222.77	-	-	222.77
Leaders Club	10,301.82	384.00	847.55	9,838.27
National Jr. Honor Society	12,981.33	2,852.94	2,459.60	13,374.67
Natures Exploration and Earth Protection	239.10	-	-	239.10
Pride Club	31.40	-	-	31.40
Rocket Club	335.77	-	-	335.77
Scarpsters	224.95	-	-	224.95
School Store	627.50	-	-	627.50
Science Olympiad	384.05	-	-	384.05
Student Council	9,826.06	7,611.87	6,227.73	11,210.20
Tri-M Society	1,116.05	895.00	836.88	1,174.17
Woodworking Club	66.30	-	-	66.30
Yearbook	6,837.75	5,411.31	4,135.53	8,113.53
	$ 43,879.78	$ 17,155.12	$ 14,507.29	$ 46,527.61

The accompanying note is an integral
part of this financial statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Commack Union Free School District.

The accounts of the Extraclassroom Activity Funds of the District are maintained on a cash basis, and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statements.

COMMACK UNION FREE SCHOOL DISTRICT
TOWNS OF HUNTINGTON AND SMITHTOWN, NEW YORK

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
IN CONNECTION WITH THE UNIFORM GUIDANCE

AS OF AND FOR THE YEAR ENDED
JUNE 30, 2021

COMMACK UNION FREE SCHOOL DISTRICT
TABLE OF CONTENTS

NawrockiSmith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Commack Union Free School District
Towns of Huntington and Smithtown, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Commack Union Free School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commack Union Free School District as of June 30, 2021, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles and Prior Period Adjustment

As described in Note 3 to the financial statements, in fiscal 2021 the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. The effect of GASB Statement No. 84 required a prior period adjustment as discussed in Note 17 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3-14 and 52-55, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information requested by the New York State Education Department. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information requested by the New York State Education Department and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Hauppauge, New York
October 7, 2021

Nawrocki Smith LLP

The following is a discussion and analysis of the Commack Union Free School District's (the "District") financial performance for the fiscal year ended June 30, 2021. This section is a summary of the District's financial activities based on currently known facts, decisions or conditions. It is also based on both the District-wide and fund based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The extent of the impact of COVID-19 on the District's operational and financial performance, and cash flow needs will depend on certain developments, including the duration and spread of the outbreak, impact on funding sources, employees and vendors, all of which are uncertain and cannot be predicted as of the date of these financial statements.

- The District's Fund Balance Policy recognizes that the maintenance of fund balance is essential to the preservation of the financial integrity of the school district and is fiscally advantageous for both the District and the taxpayer in that it helps mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and assists in ensuring stable tax rates. The policy establishes goals and provides guidance concerning the desired level of year-end fund balance to be maintained by the District. The District is in compliance with the amount of Unassigned Fund Balance typically allowable by New York State Real Property Tax Law §1318, which restricts unassigned fund balance in the General Fund to no more than 4.00% of the District's Adopted Budget for the ensuing fiscal year. For the year-ended June 30, 2021, the balance maintained is $8,155,062 or 3.98%.

- During the fiscal year, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which provides clearer guidance on identifying fiduciary activities for accounting and reporting purposes. The effect of GASB Statement No. 84 required a prior period adjustment as discussed in Note 17 to the financial statements.

- As of June 30, 2021, the District's fund level financial statements report a combined ending fund balance of $37,503,627, which is a decrease from the prior year of $1,603,476 primarily due to ongoing capital projects.

- On the District-wide financial statements, the liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources at the close of its most recent fiscal year by $121,041,226. The District's total net position decreased by $7,578,306 for the year ended June 30, 2021. The unrestricted portion of net position as of June 30, 2021 was a deficit of $197,876,175, as a result of the effect of the continued recognition of the District's total other post-employment benefits liability under the provisions of GASB Statement No. 75.

- The District continued to offer all programs, without reducing services.

- The District's residents authorized the proposed 2020-21 budget in the amount of $199,759,525, in accordance with the New York State Tax Levy Limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: required supplementary information including management's discussion and analysis (this section), the basic financial statements, and other supplementary information. The basic financial statements include two kinds of financial statements that present different views of the District:

- The first two financial statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

- The remaining financial statements are *fund financial statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-wide financial statements. The *governmental fund financial statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required and other supplementary information that further explains and supports the financial statements including a comparison of the District's General Fund budget and actual results for the year.

Table A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the financial statements.

Table A-1: Major Features of the District-wide and Fund Financial Statements

	District-wide Financial Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/deferred outflows of resources/liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

District-wide Financial Statements

The District-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide financial statements report the District's *net position* and how it has changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are shown as *governmental activities.* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District's governmental funds are described as follows:

- Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the fund financial statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, reconciliations of the District-wide and fund financial statements are provided which explain the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's net position decreased by 6.7% from the year before to a net deficit position balance of $121,041,226 as detailed in Tables A-2 and A-3.

The restricted net position balance of $17,037,157 represents assets that are restricted by external sources, imposed by laws through constitutional provisions or enabling legislation.

As of June 30, 2021, the District has an unrestricted net deficit of $197,876,175. This deficit is driven by the District's recognition of the total other post-employment benefit ("OPEB") liability of $217,856,647 as required by GASB Statement No. 75.

Table A-2: Condensed Statements of Net Position - Governmental Activities

	6/30/21	(As Restated) 6/30/20	$ Change	% Change
Current and other assets	$ 53,318,466	$ 66,775,409	$ (13,456,943)	(20.2)
Capital assets, net	105,571,223	104,026,323	1,544,900	1.5
Total assets	158,889,689	170,801,732	(11,912,043)	(7.0)
Deferred outflows of resources	96,515,338	81,998,316	14,517,022	17.7
Current liabilities	23,857,165	23,031,915	825,250	3.6
Long-term liabilities	286,526,242	299,988,134	(13,461,892)	(4.5)
Total liabilities	310,383,407	323,020,049	(12,636,642)	(3.9)
Deferred inflows of resources	66,062,846	43,242,919	22,819,927	52.8
Net position:				
Net investment in capital assets	59,797,792	51,950,412	7,847,380	15.1
Restricted	17,037,157	16,862,973	174,184	1.0
Unrestricted (deficit)	(197,876,175)	(182,276,305)	(15,599,870)	(8.6)
Total net position (deficit)	$ (121,041,226)	$ (113,462,920)	$ (7,578,306)	(6.7)

As of June 30, 2021, the District had positive working capital of $12,660,863 as compared to $16,454,021 as of June 30, 2020. The decrease is primarily due to a decrease in cash balances and accounts receivables.

As of June 30, 2021, the District had an investment in capital assets of $59,797,792 as compared to $51,950,412 as of June 30, 2020. The increase is due to the current year outlay for ongoing capital projects exceeding depreciation charges.

Long-term liabilities decreased $13,461,892 primarily due to the net change in the total OPEB liability and long-term debt payments made during the fiscal year.

Changes in Net Position

The District's fiscal year 2021 revenues totaled $194,385,014 (See Table A-3). Property and other taxes and State sources accounted for most of the District's (96.3%) (See Table A-4). The remainder came from charges for services, operating grants, capital grants, sale of property and compensation for loss, miscellaneous sources and use of money and property.

Revenues increased 0.8% or $1,448,790, primarily as a direct result of an increase in real property taxes of $3,544,985 (based on changes in assessed valuation of real property), offset by decreases in most other categories of revenue.

The District's fiscal year 2021 expenses totaled $201,963,320 (See Table A-3). These expenses (91.9%) are predominantly related to instruction and general support (See Table A-6).

Table A-3: Changes in Net Position from Operating Results - Governmental Activities Only

	6/30/21	6/30/20	$ Change	% Change
Revenues				
Program revenues:				
Charges for services	$ 764,816	$ 2,007,591	$ (1,242,775)	(61.9)
Operating grants	4,075,209	4,575,606	(500,397)	(10.9)
Capital grants	41,138	116,232	(75,094)	(64.6)
General revenues:				
Real property taxes	135,226,956	131,681,971	3,544,985	2.7
Other tax items	11,854,722	11,990,933	(136,211)	(1.1)
Use of money and property	1,592,919	2,227,538	(634,619)	(28.5)
Sale of property and compensation for loss	84,001	158,570	(74,569)	(47.0)
State sources	39,996,570	40,031,362	(34,792)	(0.1)
Miscellaneous	748,683	146,421	602,262	411.3
Total revenues	194,385,014	192,936,224	1,448,790	0.8
Expenses				
General support	26,367,797	26,403,557	(35,760)	(0.1)
Instruction	158,840,373	163,475,415	(4,635,042)	(2.8)
Pupil transportation	13,493,626	9,774,582	3,719,044	38.0
Debt service - interest	1,567,873	2,095,785	(527,912)	(25.2)
School lunch program	1,693,651	1,815,420	(121,769)	(6.7)
Total expenses	201,963,320	203,564,759	(1,601,439)	(0.8)
Decrease in net position	(7,578,306)	(10,628,535)	3,050,229	28.7
Net position (deficit), beginning of year	(113,462,920)	(103,408,169)	(10,054,751)	(9.7)
Prior period adjustment, see Note 17	-	573,784	(573,784)	100.0
Net position (deficit), end of year	$ (121,041,226)	$ (113,462,920)	$ (7,578,306)	(6.7)

Table A-4: Sources of Revenues for Fiscal Year 2021

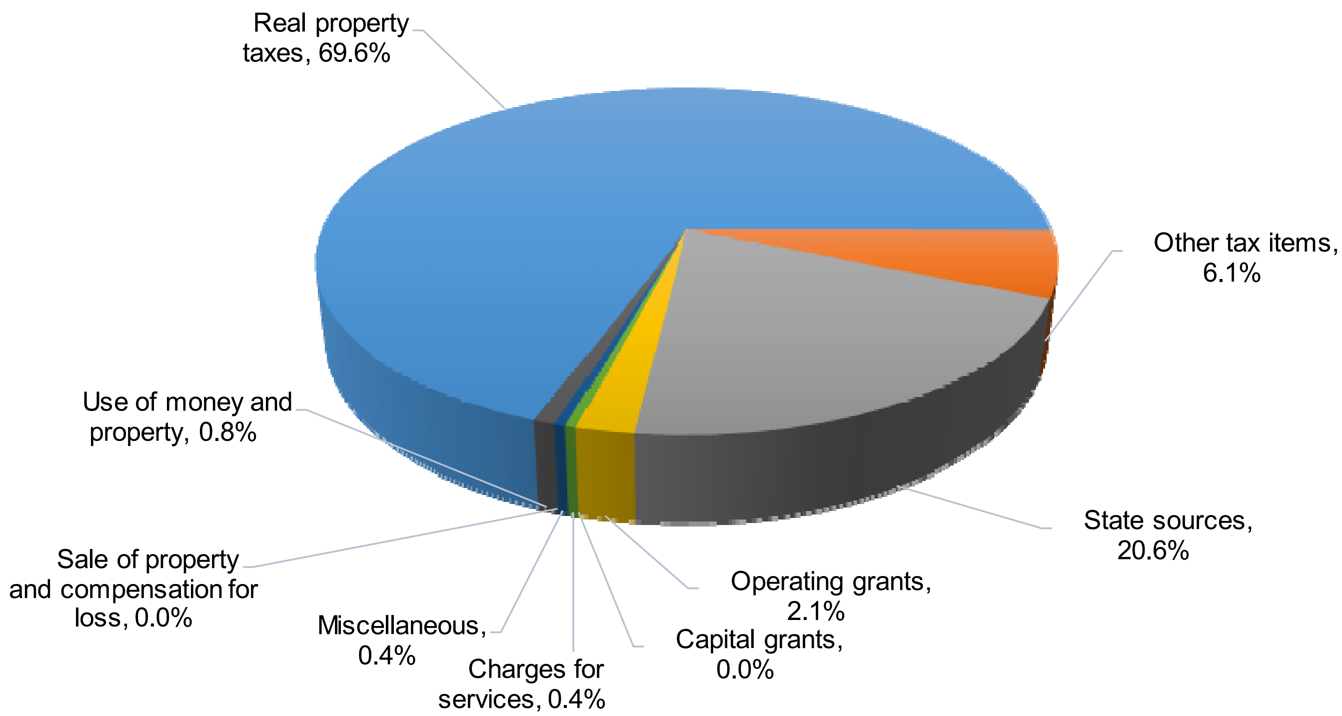


Table A-5: Sources of Revenues for Fiscal Year 2020

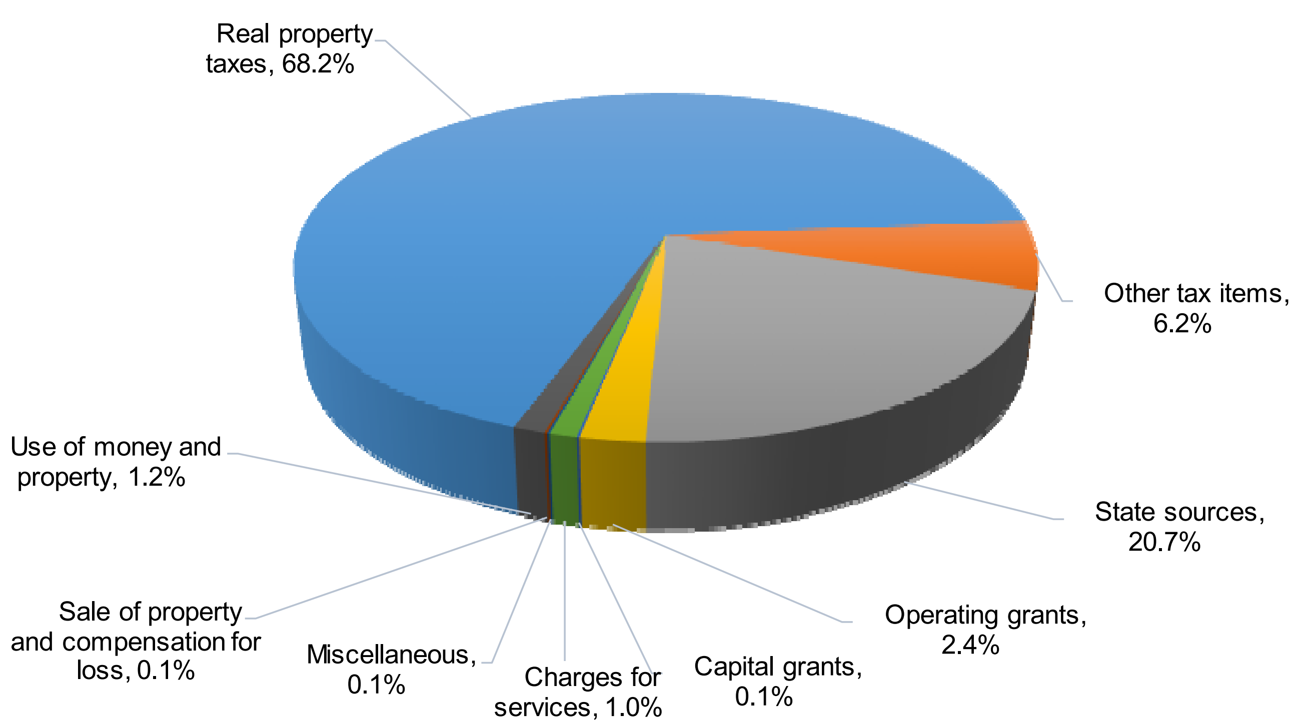


Table A-6: Expenses for Fiscal Year 2021

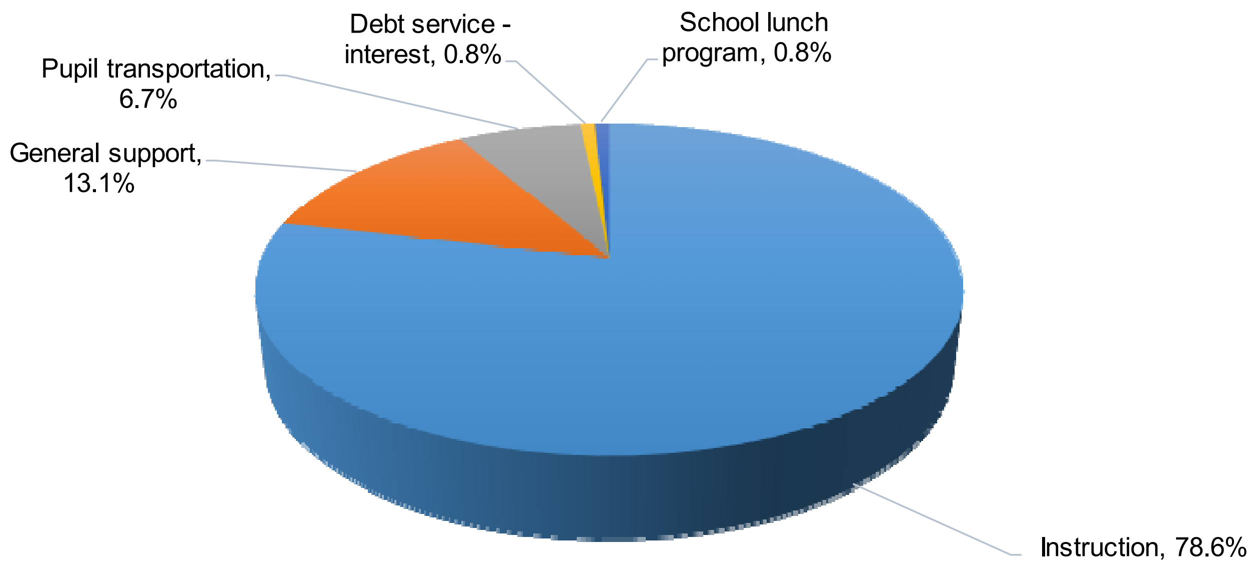
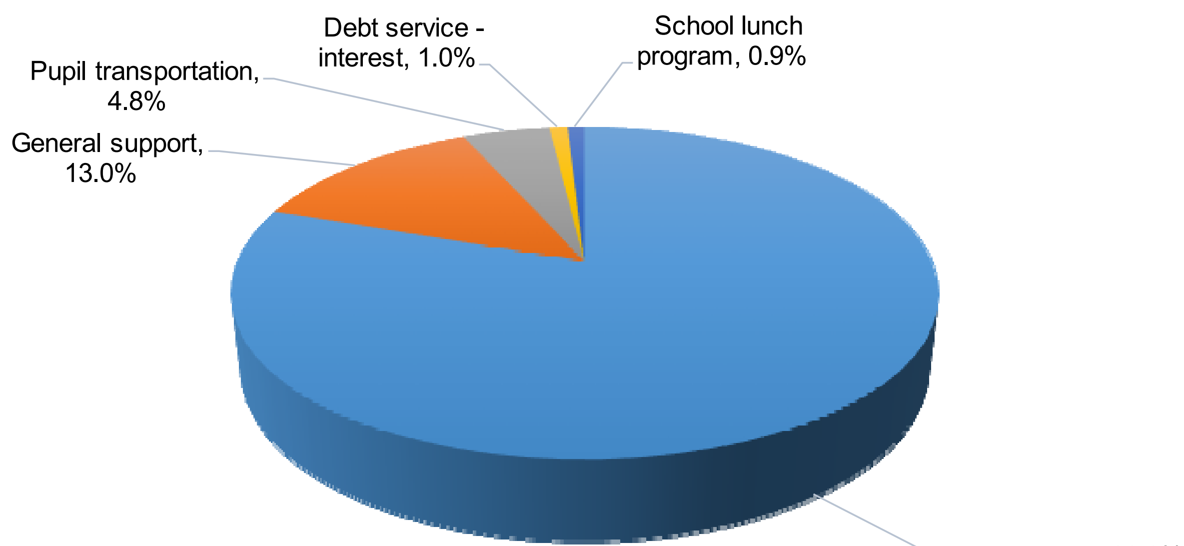


Table A-7: Expenses for Fiscal Year 2020



Governmental Activities

Revenues for the District's governmental activities totaled $194,385,014 while total expenses equaled $201,963,320. The overall sound financial condition of the District, as a whole, can be credited to:

- Continued leadership of the District's Board and administration;
- Favorable debt costs due to a high Moody's Investors Service rating;
- Reserves to stabilize the impact of cost increases; and
- Strategic use of services from the Western Suffolk BOCES and increased cooperative bidding.

The major changes in revenues and expenses are as follows:

Revenues:

- Real property taxes increased by $3,544,985. This increase was within the tax cap, reflects a modest tax increase to residents and allows for a continued strong educational program.
- Other tax items include the reimbursements received under the School Tax Reimbursement Program ("STAR"). The STAR program provides tax relief to homeowners through State reimbursement to the District. Payments in lieu of taxes ("PILOTS") are also included within this category. The revenues from the STAR program and PILOTS decreased by $136,211.
- Use of money and property decreased by $634,619 or 28.5%. Use of money and property includes interest and earnings and rental of real property.

Expenses:

- General support and instruction related expenses decreased by $4,399,370, primarily due to decreases related to other post-employment benefits.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

As of June 30, 2021, the District's combined governmental funds reported a total fund balance of $37,503,627, which is a decrease of $1,603,476 from the prior year. This decrease is due primarily to outlay related to ongoing capital projects, offset by the increase in real property taxes.

Fund balances for the District's governmental funds for the past two years were distributed as follows:

Table A-8: Fund Balances - Governmental Funds

	6/30/21	(As Restated) 6/30/20	$ Change	% Change
General Fund				
Restricted:				
Retirement Contributions - ERS	$ 2,636,235	$ 633,533	$ 2,002,702	316.1
Retirement Contributions - TRS	1,500,000	-	1,500,000	100.0
Workers' Compensation	1,884,899	1,876,954	7,945	0.4
Unemployment Insurance	835,633	334,218	501,415	150.0
Employee Benefit Accrued Liability	4,908,192	4,513,577	394,615	8.7
Insurance	223,174	197,339	25,835	13.1
Repairs	168,082	18,006	150,076	833.5
Assigned:				
Appropriated for subsequent year's expenditures	10,395,620	7,505,805	2,889,815	38.5
Encumbrances	781,965	446,128	335,837	75.3
Unassigned	8,155,062	13,154,556	(4,999,494)	(38.0)
Total General Fund	31,488,862	28,680,116	2,808,746	9.8
School Lunch Fund				
Nonspendable:				
Inventory	7,074	3,395	3,679	108.4
Assigned:				
Food Service Program	956,245	560,462	395,783	70.6
Total School Lunch Fund	963,319	563,857	399,462	70.8
Other Miscellaneous Special Revenue Fund				
Restricted:				
Scholarships and extraclassroom	423,969	363,358	60,611	16.7
Assigned:				
Student activities	170,504	210,426	(39,922)	(19.0)
Total Debt Service Fund	594,473	573,784	20,689	3.6
Debt Service Fund				
Restricted:				
Debt service	1,062,408	1,018,375	44,033	4.3
Total Debt Service Fund	1,062,408	1,018,375	44,033	4.3
Capital Projects Fund				
Restricted:				
District improvements	3,394,565	8,270,971	(4,876,406)	(59.0)
Total Capital Projects Fund	3,394,565	8,270,971	(4,876,406)	(59.0)
Total fund balance	$ 37,503,627	$ 39,107,103	$ (1,603,476)	(4.1)

General Fund

The General Fund reported an increase in fund balance of $2,808,746 for fiscal 2021, as compared to a increase of $8,278,355 for fiscal 2020. Revenues increased $1,726,012 mainly as a result of an increase in the budgeted property tax levy. Expenditures increased $9,157,641 primarily due to increased instructional and pupil transportation expenditures, all of which were budgeted for and actual results were below budget. Other financing related to transfers to the Debt Service Fund and the Capital Projects Fund remained consistent when compared with the prior year. As a result of revenues being greater than expenditures, the District reported an increase in the change in fund balance. Compared to projected performance, the District performed better than expected.

General Fund Budgetary Highlights

The District's General Fund original budget for the year ended June 30, 2021 was $199,759,525. This amount was increased by encumbrances carried forward from the prior year in the amount of $446,128, which resulted in a final budget of $200,205,653. The majority of the actual funding was property taxes, STAR revenue and PILOTS of $147,081,678.

At June 30, 2021, the District's unassigned fund balance was $8,155,062 which was in compliance with the allowable 4% of the subsequent year's original budget ($205,126,576) as promulgated by New York State (see page 56). The following is a reconciliation of the General Fund's unassigned fund balance for the year ended June 30, 2021:

Unassigned fund balance, beginning of year	$ 13,154,556
Add:	
Prior-year encumbrances	446,128
Prior-year appropriated fund balance	7,505,805
Board approved use of Workers' Compensation Reserve	500,000
Board approved use of Employee Benefit Accrued Liability Reserve	3,000,000
Less:	
Current-year encumbrances	(781,965)
Current-year appropriated fund balance	(10,395,620)
Transfer to Retirement Contribution Reserve - ERS (including allocated interest)	(2,002,702)
Transfer to Retirement Contribution Reserve - TRS	(1,500,000)
Transfer to Workers' Compensation Reserve (including allocated interest)	(507,945)
Transfer to Unemployment Insurance Reserve (including allocated interest)	(501,415)
Transfer to Employee Benefit Accrued Liability Reserve (including allocated interest)	(3,394,615)
Transfer to Insurance Reserve (including allocated interest)	(25,835)
Transfer to Repairs Reserve (including allocated interest)	(150,076)
Net change in fund balance	2,808,746
Unassigned fund balance, end of year	$ 8,155,062

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of 2021, the District had invested $105,571,223 net of depreciation, in a broad range of capital assets, including school buildings, maintenance facilities, athletic facilities, computer and audio-visual equipment, and administrative offices.

Table A-9: Capital Assets (net of depreciation)

	6/30/21	6/30/20	$ Change	% Change
Land	$ 3,260,677	$ 3,260,677	$ -	-
Construction-in-progress	20,373,088	15,205,544	5,167,544	34.0
Buildings and building improvements	78,482,608	81,961,318	(3,478,710)	(4.2)
Furniture and equipment	1,262,867	1,253,070	9,797	0.8
Vehicles	352,129	323,331	28,798	8.9
Site improvements	1,839,854	2,022,383	(182,529)	(9.0)
Totals	$ 105,571,223	$ 104,026,323	$ 1,544,900	1.5

Long-Term Liabilities

At year-end, the District had $65,371,288 in general obligation bonds and other long-term liabilities.

Table A-10: Outstanding Long-Term Liabilities

	6/30/21	6/30/20	$ Change	% Change
General obligation bonds, net	$ 26,336,720	$ 32,688,193	$ (6,351,473)	(19.4)
Installment purchase debt payable	24,282,753	26,353,460	(2,070,707)	(7.9)
Workers' Compensation claims payable	690,213	750,394	(60,181)	(8.0)
Compensated absences	14,061,602	14,487,971	(426,369)	(2.9)
Totals	$ 65,371,288	$ 74,280,018	$ (8,908,730)	(12.0)

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial status in the future:

- In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. The extent of the impact of COVID-19 on the District's operational and financial performance, and cash flow needs will depend on certain developments, including the duration and spread of the outbreak, impact on funding sources, employees and vendors, all of which are uncertain and cannot be predicted as of the date of these financial statements.

- New York State imposed a maximum tax levy increase of the lesser of 2% or the CPI for the fiscal year 2020-2021 budget, subject to certain exclusions. Based on the value of obligatory contractual increases and continued increases in the State's unfunded mandates, it is expected that reductions may be necessary. If the downward economic trend continues, and State mandates and legal requirements continue to escalate, there will be an inevitable negative impact on District programs.

- The General Fund budget for the 2021-2022 school year was approved by the voters in the amount of $205,126,576. This is an increase of 2.69% over the previous year's budget.

- The 2021-2022 budget is impacted by certain trends affecting school districts. These include increases in health insurance costs, workers' compensation judgments, and potential unemployment insurance claims, which are beyond the District's control.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the finances of the District and to demonstrate its accountability for the money it receives. If you have any questions about this report or need additional financial information, contact:

Commack Union Free School District
Laura Newman
Associate Superintendent for Business & Operations
480 Clay Pitts Road
East Northport, New York 11731
631-912-2000

COMMACK UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	
Unrestricted cash	$ 28,379,826
Receivables:	
State and federal aid	5,550,781
Due from other governments	1,261,967
Other	1,318,380
Inventories	7,074
Restricted cash	16,800,438
Capital assets:	
Non-depreciable	23,633,765
Depreciable, net of accumulated depreciation of $98,247,023	81,937,458
Total assets	158,889,689
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on bond refunding	672,947
Deferred outflows from pensions	57,624,165
Deferred outflows from OPEB	38,218,226
Total deferred outflows of resources	96,515,338
LIABILITIES	
Accounts payable	2,971,688
Accrued liabilities	855,024
Accrued interest payable	385,092
Due to teachers' retirement system	8,050,929
Due to employees' retirement system	756,447
Unearned revenue	833,515
Long-term liabilities, due within one year:	
Bonds payable, net	6,671,425
Energy performance contract payable	2,283,045
Workers' Compensation claims payable	550,000
Compensated absences	500,000
Long-term liabilities, due after one year:	
Bonds payable, net	19,665,295
Energy performance contract payable	21,999,708
Workers' Compensation claims payable	140,213
Compensated absences	13,561,602
Proportionate share of net pension liability	13,302,777
Other postemployment benefits obligation	217,856,647
Total liabilities	310,383,407
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows from pensions	20,345,774
Deferred inflows from OPEB	45,717,072
Total deferred inflows of resources	66,062,846
NET POSITION	
Net investment in capital assets	59,797,792
Restricted:	
Retirement contributions - ERS	2,636,235
Retirement contributions - TRS	1,500,000
Insurance	223,174
Workers' Compensation	1,884,899
Unemployment insurance	835,633
Employee Benefit Accrued Liability	4,908,192
Repairs	168,082
Scholarships and extraclassroom	423,969
Debt Service	1,062,408
District improvements	3,394,565
Unrestricted (deficit)	(197,876,175)
Total net position (deficit)	$ (121,041,226)

The accompanying notes to financial statements are an integral part of this statement.

COMMACK UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	Capital Grants	
Functions and programs:					
General support	$ 26,367,797	$ 90,037	$ 234,126	$ -	$ (26,043,634)
Instruction	158,840,373	673,670	1,751,763	41,138	(156,373,802)
Pupil transportation	13,493,626	1,109	2,883	-	(13,489,634)
Debt service - interest	1,567,873	-	-	-	(1,567,873)
School lunch program	1,693,651	-	2,086,437	-	392,786
Total functions and programs	$ 201,963,320	$ 764,816	$ 4,075,209	$ 41,138	(197,082,157)
General revenues:					
Real property taxes					135,226,956
Other tax items					11,854,722
Use of money and property					1,592,919
Sale of property and compensation for loss					84,001
State sources					39,996,570
Miscellaneous					748,683
Total general revenues					189,503,851
Change in net position					(7,578,306)
Total net position, beginning of year, as restated (see Note 17)					(113,462,920)
Total net position, end of year					$ (121,041,226)

The accompanying notes to financial statements are an integral part of this statement.

COMMACK UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	Major Funds						Total Governmental Funds
		Special Revenue Funds					
	General	Special Aid	School Lunch	Other Miscellaneous Special Revenue	Debt Service	Capital Projects	
ASSETS							
Unrestricted cash	$ 27,250,364	$ -	$ 753,972	$ 375,490	$ -	$ -	$ 28,379,826
Receivables:							
State and federal aid	3,529,524	730,922	461,935	-	-	828,400	5,550,781
Due from other governments	1,261,967	-	-	-	-	-	1,261,967
Due from other funds	223,137	-	-	-	343,937	250,000	817,074
Other	1,318,350	30	-	-	-	-	1,318,380
Inventories	-	-	7,074	-	-	-	7,074
Restricted cash	12,156,215	47,159	-	423,969	718,471	3,454,624	16,800,438
Total assets	$ 45,739,557	$ 778,111	$ 1,222,981	$ 799,459	$ 1,062,408	$ 4,533,024	$ 54,135,540
LIABILITIES							
Payables:							
Accounts payable	$ 2,420,545	$ 95,648	$ 147,056	$ -	$ -	$ 308,439	$ 2,971,688
Accrued liabilities	840,055	14,969	-	-	-	-	855,024
Due to other funds	592,317	18,151	-	204,986	-	1,620	817,074
Due to teachers' retirement system	8,050,929	-	-	-	-	-	8,050,929
Due to employees' retirement system	756,447	-	-	-	-	-	756,447
Unearned revenues	71,566	649,343	112,606	-	-	-	833,515
Total liabilities	12,731,859	778,111	259,662	204,986	-	310,059	14,284,677
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	1,518,836	-	-	-	-	828,400	2,347,236
Total deferred inflows of resources	1,518,836	-	-	-	-	828,400	2,347,236
FUND BALANCE							
Nonspendable	-	-	7,074	-	-	-	7,074
Restricted	12,156,215	-	-	423,969	1,062,408	3,394,565	17,037,157
Assigned	11,177,585	-	956,245	170,504	-	-	12,304,334
Unassigned	8,155,062	-		-	-	-	8,155,062
Total fund balance	31,488,862	-	963,319	594,473	1,062,408	3,394,565	37,503,627
Total liabilities, deferred inflows of resources and fund balance	$ 45,739,557	$ 778,111	$ 1,222,981	$ 799,459	$ 1,062,408	$ 4,533,024	$ 54,135,540

The accompanying notes to financial statements are an integral part of this statement.

COMMACK UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total Fund Balance - Governmental Funds		$ 37,503,627
Amounts reported for governmental activities in the Statement of Net Position are different due to the following:		
Capital assets less accumulated depreciation are included in the Statement of Net Position:		
Capital assets:		
Non-depreciable	$ 23,633,765	
Depreciable	180,184,481	
Accumulated depreciation	(98,247,023)	105,571,223
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position:		
Bonds payable, net	(26,336,720)	
Installment purchase debt payable	(24,282,753)	
Workers' Compensation claims payable	(690,213)	
Compensated absences payable	(14,061,602)	(65,371,288)
Deferred charges on advance refunding of bonds are not reported on the Balance Sheet, but are reflected on the Statement of Net Position and amortized over the life of the related bonds.		672,947
Proportionate share of long-term asset and liability, deferred outflows of resources and inflows of resources associated with participation in the State retirement systems are not current financial resources or obligations and are not reported in the governmental funds:		
Deferred outflows of resources - pension related	57,624,165	
Proportionate share of net pension liability	(13,302,777)	
Deferred inflows of resources - pension related	(20,345,774)	23,975,614
Total OPEB liability, deferred outflows of resources and deferred inflows of resources associated with the total OPEB liability are not current financial resources or obligations and are not reported in the fund financial statements.		
Deferred outflows of resources - OPEB related	38,218,226	
Total OPEB liability	(217,856,647)	
Deferred inflows of resources - OPEB related	(45,717,072)	(225,355,493)
Revenue that was not accrued on the fund financial statements because it does not meet the availability criteria under the modified accrual basis of accounting is included in the Statement of Net Position.		2,347,236
Interest payable applicable to the District's activities are not due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position.		(385,092)
Net Position - Governmental Activities		$ (121,041,226)

The accompanying notes to financial statements are an
integral part of this statement.

COMMACK UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Major Funds						
		Special Revenue Funds					
	General	Special Aid	School Lunch	Other Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES							
Real property taxes	$ 135,226,956	$ -	$ -	$ -	$ -	$ -	$ 135,226,956
Other tax items	11,854,722	-	-	-	-	-	11,854,722
Charges for services	764,816	-	-	-	-	-	764,816
Use of money and property	1,590,781	-	368	54.00	1,716	-	1,592,919
Sale of property and compensation for loss	84,001	-	-	-	-	-	84,001
State sources	40,151,160	1,025,333	66,802	-	-	41,138	41,284,433
Federal sources	110,201	823,284	2,019,635	-	-	-	2,953,120
Miscellaneous	401,256	29,954	1,435	304,854	-	-	737,499
Total revenues	190,183,893	1,878,571	2,088,240	304,908	1,716	41,138	194,498,466
EXPENDITURES							
Current -							
General support	19,813,174	-	-	-	-	-	19,813,174
Instruction	105,434,237	2,367,515	-	284,219	-	-	108,085,971
Pupil transportation	13,410,091	-	-	-	-	-	13,410,091
Employee benefits	37,829,704	24,570	-	-	-	-	37,854,274
Cost of sales	-	-	1,693,651	-	-	-	1,693,651
Capital outlay	-	-	-	-	-	5,167,544	5,167,544
Debt service -							
Principal	2,070,707	-	-	-	6,105,000	-	8,175,707
Interest	834,222	-	-	-	1,067,308	-	1,901,530
Total expenditures	179,392,135	2,392,085	1,693,651	284,219	7,172,308	5,167,544	196,101,942
Excess (deficiency) of revenues over (under) expenditures	10,791,758	(513,514)	394,589	20,689	(7,170,592)	(5,126,406)	(1,603,476)
OTHER FINANCING SOURCES (USES)							
Proceeds of refunding bonds	-	-	-	-	4,785,000	-	4,785,000
Premium on bonds issued	-	-	-	-	1,001,225	-	1,001,225
Payment to refunded bond escrow agent	-	-	-	-	(5,600,000)	-	(5,600,000)
Bond issuance costs	-	-	-	-	(186,225)	-	(186,225)
Proceeds of refunding installment purchase debt	-	-	-	-	9,740,096	-	9,740,096
Payment of installment purchase debt	-	-	-	-	(9,740,096)	-	(9,740,096)
Transfers in	-	513,514	4,873	-	7,214,625	250,000	7,983,012
Transfers out	(7,983,012)	-	-	-	-	-	(7,983,012)
Total other financing sources (uses)	(7,983,012)	513,514	4,873	-	7,214,625	250,000	-
Change in fund balance	2,808,746	-	399,462	20,689	44,033	(4,876,406)	(1,603,476)
Fund balance, beginning of year, as restated, (see Note 17)	28,680,116	-	563,857	573,784	1,018,375	8,270,971	39,107,103
Fund balance, end of year	$ 31,488,862	$ -	$ 963,319	$ 594,473	$ 1,062,408	$ 3,394,565	$ 37,503,627

The accompanying notes to financial statements are an
integral part of this statement.

COMMACK UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net Change in Fund Balance - Governmental Funds		$ (1,603,476)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeds depreciation in the current period is:		
Capital outlay, net	$ 5,396,339	
Depreciation expense	(3,851,439)	1,544,900
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(113,452)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.		
Repayment of bond principal	6,105,000	
Payment to refunded bond escrow agent	5,600,000	
Proceeds from refunding bond	(4,785,000)	
Premium on refunding bond	(1,001,225)	
Bond issuance costs	186,225	
Proceeds from refunded installment purchase debt	(9,740,096)	
Payment of refunded installment purchase debt	9,740,096	
Repayment of installment purchase debt payable	2,070,707	8,175,707
Amortization of bond premiums and deferred charges on bond refundings do not affect the governmental funds, but are recorded in the Statement of Activities.		
Amortization of bond premiums	432,698	
Amortization of deferred charges	(305,003)	127,695
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Workers' Compensation claims payable	60,181	
Compensated absences payable	426,369	
Accrued interest costs	205,962	692,512
Changes in the proportionate share of the collective pension expense of the State retirement plans reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' Retirement System	(10,411,865)	
Employees' Retirement System	1,067,687	(9,344,178)
Changes in the amount of total OPEB liability, deferred inflows of resources and deferred outflows of resources reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		(7,058,014)
Change in Net Position - Governmental Activities		$ (7,578,306)

The accompanying notes to financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Commack Union Free School District (the "District") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board ("GASB"), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

A. Reporting entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of five members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on such criteria the District has determined there are no component units to be included within their reporting entity.

B. Joint venture

The District is a component district in the Western Suffolk Board of Cooperative Educational Services ("BOCES"). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed $6,648,082 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $2,421,005.

Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of presentation

1. District-wide financial statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These financial statements include the financial activities of the overall government in its entirety.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid (sources), intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

Special Aid Fund: Used to account for proceeds received from State and federal grants that are restricted for educational programs.

School Lunch Fund: Used to account for child nutrition activities whose funds are restricted as to use.

Other Miscellaneous Special Revenue Fund: Used to account for the activities of student groups, extraclassroom activity funds and scholarships for students.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of District facilities.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

D. Measurement focus and basis of accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, State aid, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Property taxes

Real property taxes for the Towns of Smithtown and Huntington residents are levied annually by the Board of Education no later than October 15th, and become a lien on December 1st. Taxes are collected by the Towns of Smithtown and Huntington and remitted to the District from December to June.

Uncollected real property taxes are subsequently enforced by Suffolk County in June.

F. Restricted resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

G. Interfund transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

Advances to/from other funds represent loans to other funds which are not expected to be repaid within the subsequent year. The advances are offset by nonspendable fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

In the District-wide financial statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities). Eliminations have been made for all interfund receivables and payables between the funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds Balance Sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 12 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, useful lives of long-lived assets, the proportionate share of net pension assets and liabilities, and the total OPEB liability.

I. Cash and cash equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation ("FDIC") insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies; obligations of the State and its municipalities and school districts and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations (if permitted by the District's policy).

J. Accounts receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventories and prepaid items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and may be recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

L. Other assets/restricted assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the District-wide financial statements as their use is limited by applicable bond covenants.

In the District-wide financial statements, bond discounts and premiums, and any prepaid bond issuance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

M. Capital assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 1975. For assets acquired prior to June 30, 1975, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Land and construction-in-progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide financial statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and building improvements	$ 5,000	Straight-line	20-40 years
Site improvements	$ 5,000	Straight-line	5-30 years
Vehicles	$ 5,000	Straight-line	5-8 years
Furniture and equipment	$ 5,000	Straight-line	5-20 years

N. Deferred outflows of resources

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District can have four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (NYSTRS and NYSERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

O. Deferred inflows of resources

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District can have two items that qualify for reporting in this category. The first item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability (NYSTRS and NYSERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

P. Unearned revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

Q. Vested employee benefits - compensated absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation and sabbatical time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Pronouncements, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund financial statements only, the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

R. Other benefits

Eligible District employees participate in the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure (see Note 13 for more information).

S. Short-term debt

The District may issue Revenue Anticipation Notes ("RAN") and Tax Anticipation Notes ("TAN"), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RAN's and TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes ("BAN"), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes to be converted to long-term financing within seven years after the original issue date.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

As of June 30, 2020, the District does not have any outstanding RAN's, TAN's, BAN's or deficiency notes.

T. Accrued liabilities and long-term obligations

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

U. Equity classifications

District-wide financial statements

In the District-wide financial statements there are three classes of net position:

1. Net investment in capital assets: Consists of capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

2. Restricted net position: Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted net position: Reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Fund financial statements

In the fund financial statements there are five classifications of fund balance:

1. Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of $7,074.

2. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

   Workers' Compensation

   According to General Municipal Law §6-j, must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget.

Unemployment Insurance

According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to the tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. The sub-fund for contributions to the New York State Teachers' Retirement System is included in this reserve, but is separately administered and complies with all existing provisions of General Municipal Law §6-r.

Insurance

According to General Municipal Law §6-n, must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

Repairs

According to General Municipal Law 6-d, must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

Other Miscellaneous Special Revenue Fund

These funds are restricted for the extraclassroom activities, as well as various scholarship awards.

Debt Service

According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of school district property or capital improvement.

Unspent Bond Proceeds

Unspent long-term bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

3. Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2021.

4. Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

5. Unassigned - Includes all other General Fund fund balance that does not meet the definition of the above four classifications and is deemed to be available for general use by the District and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts have been restricted or assigned.

Fund balances for all governmental funds as of June 30, 2021 were distributed as follows:

	General	School Lunch	Other Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Nonspendable:						
Inventory	$ -	$ 7,074	$ -	$ -	$ -	$ 7,074
Total nonspendable	-	7,074	-	-	-	7,074
Restricted:						
Retirement contributions - ERS	2,636,235	-	-	-	-	2,636,235
Retirement contributions - TRS	1,500,000	-	-	-	-	1,500,000
Workers' Compensation	1,884,899	-	-	-	-	1,884,899
Unemployment insurance	835,633	-	-	-	-	835,633
Employee Benefit Accrued Liability	4,908,192	-	-	-	-	4,908,192
Insurance	223,174	-	-	-	-	223,174
Repairs	168,082	-	-	-	-	168,082
Scholarships and extraclassroom	-	-	423,969	-	-	423,969
Debt service	-	-	-	1,062,408	-	1,062,408
District improvements	-	-	-	-	3,394,565	3,394,565
Total restricted	12,156,215	-	423,969	1,062,408	3,394,565	17,037,157
Assigned:						
Appropriated for subsequent year's expenditures	10,395,620	-	-	-	-	10,395,620
Encumbrances	781,965	-	-	-	-	781,965
Student activities	-	-	170,504	-	-	170,504
Food service program	-	956,245	-	-	-	956,245
Total assigned	11,177,585	956,245	170,504.00	-	-	12,304,334
Unassigned	8,155,062	-	-	-	-	8,155,062
Total	$31,488,862	$ 963,319	$ 594,473	$ 1,062,408	$ 3,394,565	$37,503,627

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the school district's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of use of fund balance

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as assigned fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the fund financial statements and the District-wide financial statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the District-wide financial statements, compared with the current financial resources focus of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental funds Balance Sheet, as applied to the reporting of capital assets and long-term liabilities, including pensions.

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The categories are shown below:

1. Long-term revenue/expense differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital related differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on fund financial statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund financial statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-term debt transaction differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund financial statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4. Pension differences

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

5. OPEB differences

OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

3. CHANGE IN ACCOUNTING PRINCIPLE

Effective for the 2021 fiscal year, the District implemented GASB Statement No. 84, *Fiduciary Activities*, which provides clearer guidance on identifying fiduciary activities for accounting and reporting purposes. Upon implementation of the statement, the District moved some of its fiduciary assets and liabilities residing in the fiduciary funds to the General Fund of the District. Also, the District created a new governmental fund titled Other Miscellaneous Special Revenue Fund to account for the District's student groups, scholarships and extraclassroom activity funds which were previously accounted for in the fiduciary funds. Implementation of this statement required a prior period adjustment (see Note 17).

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments are approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the year ended June 30, 2021.

Budgets are established and used for the individual Capital Projects Fund expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

5. CASH AND CASH EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, AND INTEREST RATE RISKS

The District's aggregate bank balances, including balances not covered by depository insurance at year-end, are collateralized as follows:

Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 46,298,440

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $16,800,438 within the governmental funds.

Investment and deposit policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Official of the District.

Interest rate risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

Custodial credit risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies
- Obligations issued or fully insured or guaranteed by New York State and its localities
- Obligations issued by other than New York State in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

6. RECEIVABLES

A. State and federal aid

State and federal aid receivables at June 30, 2021 consisted of the following:

General Fund:	
General aid	$ 1,251,577
BOCES aid	2,277,947
Special Aid Fund:	
State and federal grants	730,922
School Lunch Fund:	
School lunch reimbursement	461,935
Capital Projects Fund:	
State and federal grants	828,400
	$ 5,550,781

B. Due from other governments

Due from other governments at June 30, 2021 consisted of the following:

General Fund:	
Other school districts and towns	$ 1,229,292
Foster tuition	32,544
Department of Labor	131
	$ 1,261,967

C. Other receivables

Other receivables at June 30, 2021 consisted of the following:

General Fund:	
Various	$ 1,318,350
Special Aid Fund:	
Various	30
	$ 1,318,380

District management has deemed the amounts to be fully collectible.

7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Beginning Balance	Additions	Reductions/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets not depreciated:				
Land	$ 3,260,677	$ -	$ -	$ 3,260,677
Construction-in-progress	15,205,544	5,167,544	-	20,373,088
Total nondepreciable assets	18,466,221	5,167,544	-	23,633,765
Capital assets that are depreciated:				
Buildings and building improvements	168,103,654	-	-	168,103,654
Furniture and equipment	4,155,128	137,022	(35,381)	4,256,769
Vehicles	1,124,696	91,773	(63,075)	1,153,394
Site improvements	6,670,664	-	-	6,670,664
Total depreciable assets	180,054,142	228,795	(98,456)	180,184,481
Less accumulated depreciation:				
Buildings and building improvements	86,142,336	3,478,710	-	89,621,046
Furniture and equipment	2,902,058	127,225	(35,381)	2,993,902
Vehicles	801,365	62,975	(63,075)	801,265
Site improvements	4,648,281	182,529	-	4,830,810
Total accumulated depreciation	94,494,040	3,851,439	(98,456)	98,247,023
Total capital assets, net	$104,026,323	$ 1,544,900	$ -	$105,571,223

Depreciation expense was charged to governmental functions as follows:

General support	$ 453,407
Instruction	3,392,449
Pupil transportation	5,583
	$ 3,851,439

8. SHORT-TERM DEBT

Transactions in short-term debt for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance
TAN matured on 6/25/21 at 1.25%	$ -	$ 36,000,000	$ 36,000,000	$ -

Interest on short-term debt for the year was $83,926.

9. LONG-TERM LIABILITIES

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable	$ 31,565,000	$ 4,785,000	$ 11,705,000	$ 24,645,000	$ 6,220,000
Bond premium	1,123,193	1,001,225	432,698	1,691,720	451,425
Bonds payable, net	32,688,193	5,786,225	12,137,698	26,336,720	6,671,425
Energy performance contract debt payable	26,353,460	9,740,096	11,810,803	24,282,753	2,283,045
Workers' Compensation claims payable	750,394	567,753	627,934	690,213	550,000
Compensated absences	14,487,971	-	426,369	14,061,602	500,000
Total long-term liabilities	$ 74,280,018	$ 16,094,074	$ 25,002,804	$ 65,371,288	$ 10,004,470

Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately. The General Fund is typically used to liquidate the liabilities above.

The following is a summary of the maturity of long-term indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 6/30/2021
Serial bonds - advanced refunding	2013	2025	2.00 - 4.00%	$ 19,860,000
Serial bonds - advanced refunding	2020	2029	5.00%	4,785,000
				$ 24,645,000
Energy performance contract - refunding	8/15/2020	2/15/2028	1.90%	$ 9,132,849
Energy performance contract	1/21/2015	2/21/2028	3.63%	1,314,809
Energy performance contract	8/26/2019	8/15/2034	2.90%	956,287
Energy performance contract	8/26/2019	8/15/2034	2.29%	12,878,808
				$ 24,282,753

The following is a summary of the maturing debt service requirements:

For The Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Energy Performance Contracts Principal	Energy Performance Contracts Interest	Total
2022	$ 6,220,000	$ 906,525	$ 2,283,045	$ 531,458	$ 9,941,028
2023	6,475,000	647,100	2,333,422	481,081	9,936,603
2024	5,220,000	407,450	2,384,960	429,542	8,441,952
2025	4,240,000	212,300	2,437,689	376,813	7,266,802
2026	605,000	109,375	2,491,638	322,865	3,528,878
2027-2031	1,885,000	142,875	8,339,491	891,172	11,258,538
2032-2035	-	-	4,012,508	189,427	4,201,935
	$ 24,645,000	$ 2,425,625	$ 24,282,753	$ 3,222,358	$ 54,575,736

Interest on long-term debt for the year was comprised of:

Interest paid	$ 1,817,604
Less interest accrued in the prior year	(591,054)
Plus amortization of deferred charges	305,003
Less amortization of bond premium	(432,698)
Plus interest accrued in the current year	385,092
Total interest expense	$ 1,483,947

In the District-wide financial statements, the District is amortizing deferred charges on the advance refunding and a refunding bond premium relating to bond issuance as a component of interest expense on a weighted average basis as follows:

For The Year Ending June 30,	Deferred Premium	Deferred Charge	Net Decrease in Interest Expense
2022	$ 451,425	$ (241,109)	$ 210,316
2023	340,352	(162,814)	177,538
2024	239,293	(91,579)	147,714
2025	160,037	(35,713)	124,324
2026	125,153	(11,123)	114,030
2027-2029	375,460	(33,369)	342,091
Total	$ 1,691,720	$ (575,707)	$ 1,116,013

On July 9, 2020, the District refunded Serial Bonds in the amount of $4,785,000 with an interest rate of 5.00%. The net proceeds of the bond will be used for establishing an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. The total refunding price of the bonds was $5,786,225, with an original refunding premium of $1,001,225, with a total economic gain of $720,817.

On August 15, 2020, the District refinanced the lease-purchase agreement in the amount of $9,740,096 with an interest rate of 1.90%. The total refinancing price of the lease-purchase agreement was $10,496,669, with a total economic gain of $96,797.

10. PENSION PLANS

General information

The District participates in the New York State Teachers' Retirement System ("NYSTRS") and the New York State and Local Employees' Retirement System ("NYSERS"). These are cost-sharing, multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

Provisions and administration

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law ("NYSRSSL"). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in NYSTRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

NYSERS provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL governs obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. NYSERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

Funding policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under NYSERS tier VI vary based on a sliding salary scale. For NYSTRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For NYSERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the NYSERS' fiscal year ended March 31.

The District share of the required contributions, based on covered payroll for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

Year	NYSERS	NYSTRS
2021	$ 2,277,332	$ 7,214,698
2020	2,251,189	8,815,507
2019	2,277,195	8,033,921

Pension assets, liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2021, the District reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/(liability) was measured as of June 30, 2020 for NYSTRS and March 31, 2021 for NYSERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the NYSTRS and NYSERS Systems in reports provided to the District:

	NYSERS	NYSTRS
Measurement date	March 31, 2021	June 30, 2020
Net pension asset/(liability)	$ (45,788)	$ (13,256,989)
District's portion of the Plan's total net pension asset/(liability)	0.04598%	0.47976%

For the year ended June 30, 2021, the District recognized pension expense of $1,365,146 for NYSERS and $18,214,576 for NYSTRS. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources - NYSERS	Deferred Outflows of Resources - NYSTRS	Deferred Inflows of Resources - NYSERS	Deferred Inflows of Resources - NYSTRS
Difference between expected experience and actual experience	$ 559,191	$ 11,615,775	$ -	$ 679,395
Changes of assumptions	8,418,863	16,767,005	158,782	5,976,561
Net difference between projected and actual earnings on pension plan investments	-	8,657,976	13,152,895	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	827,659	1,970,320	128,686	249,455
Employer contributions subsequent to the measurement date	756,447	8,050,929	-	-
Total	$ 10,562,160	$ 47,062,005	$ 13,440,363	$ 6,905,411

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended June 30,:	NYSERS	NYSTRS
2022	$ (529,217)	$ 5,530,330
2023	(75,049)	10,791,032
2024	(570,804)	8,959,608
2025	(2,459,580)	5,602,025
2026	-	444,881
Thereafter	-	777,789

Actuarial assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset/(liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

	NYSERS	NYSTRS
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.90%	7.10%
Salary scale	4.40%	*Rates of increase differ based on service
Decrement tables	April 1, 2015 to March 31, 2020 System's Experience	July 1, 2009 to June 30, 2014 System's Experience
Inflation rate	2.70%	2.20%

*The salary scale used for NYSTRS changes based upon levels of service as defined below:

Service	Rate
5	4.72%
15	3.46%
25	2.37%
35	1.90%

For NYSTRS, annuitant mortality rates are based on July 1, 2009 - June 30, 2014 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2019. For NYSERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2020.

For NYSTRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014. For NYSERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	NYSERS		NYSTRS	
	Target allocation	Long-term rate	Target allocation	Long-term rate
Measurement date	March 31, 2021	March 31, 2021	June 30, 2020	June 30, 2020
Asset type				
Cash	1.00%	0.50%	1.00%	0.07%
Domestic equity	32.00%	4.05%	33.00%	7.10%
Domestic fixed income	-	-	16.00%	1.80%
Global equities	-	-	4.00%	7.40%
Global fixed income	-	-	2.00%	1.00%
High-yield fixed income	-	-	1.00%	3.90%
International equity	15.00%	6.30%	16.00%	7.70%
Opportunistic porfolio	3.00%	4.50%	-	-
Credit	4.00%	3.63%	-	-
Fixed income	23.00%	0.00%	-	-
Private debt	-	-	1.00%	5.20%
Private equity	10.00%	6.75%	8.00%	10.40%
Real assets	3.00%	5.95%	-	-
Real estate debt	-	-	7.00%	3.60%
Real estate equities	9.00%	4.95%	11.00%	6.80%
	100.00%		100.00%	

Discount rate

The discount rate used to calculate the total pension asset/(liability) was 5.90% for NYSERS and 7.10% for NYSTRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

Sensitivity of the proportionate share of the net pension asset (liability) to the discount rate assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.90% for NYSERS and 7.10% for NYSTRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (4.90% for NYSERS and 6.10% for NYSTRS) or 1 percentage point higher (6.90% for NYSERS and 8.10% for NYSTRS) than the current rate:

NYSERS	1% Decrease (4.90%)	Current assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset/(liability)	$ (12,708,867)	$ (45,788)	$ 11,632,535

NYSTRS	1% Decrease (6.10%)	Current assumption (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension asset/(liability)	$ (83,739,829)	$ (13,256,989)	$ 45,895,976

Pension plan fiduciary net position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(Dollars in Thousands)		
	NYSERS	NYSTRS	Total
Measurement date	March 31, 2021	June 30, 2020	
Employers' total pension liability	$ 220,680,157	$ 123,242,776	$ 343,922,933
Plan net position	220,580,583	120,479,505	341,060,088
Employers' net pension asset/(liability)	$ (99,574)	$ (2,763,271)	$ (2,862,845)
Ratio of plan net position to the employers' total pension asset/(liability)	99.95%	97.76%	99.17%

Payables to the pension plan

For NYSTRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the system in September, October and November 2021 through a State aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid NYSTRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the NYSTRS System. Accrued employer retirement contributions as of June 30, 2021 amounted to $7,765,591.

For NYSERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid NYSERS covered wages multiplied by the employer's contribution rate, by tier. Accrued employer retirement contributions as of June 30, 2021 amounted to $756,447. Employee contributions are remitted monthly.

11. PENSION PLANS - OTHERS

A. Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain compensated absence payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2021 totaled $533,774 and $4,811,579, respectively.

B. Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2020 totaled $600,251.

12. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

	Interfund			
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 223,137	$ 592,317	$ -	$ 7,983,012
Special Aid Fund	-	18,151	513,514	-
School Lunch Fund	-	-	4,873	-
Other Miscellaneous Special Revenue Fund	-	204,986	-	-
Debt Service Fund	343,937	-	7,214,625	-
Capital Projects Fund	250,000	1,620	250,000	-
Totals	$ 817,074	$ 817,074	$ 7,983,012	$ 7,983,012

Interfund receivables and payables, other than between governmental activities, are eliminated on the Statement of Net Position.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

13. OTHER POSTEMPLOYMENT BENEFITS ("OPEB")

A. General information about the OPEB plan

Plan description

The District's defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a single employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board of Education. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits provided

The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees covered by benefit terms

As of July 1, 2020, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	745
Active plan members	791
Total plan members	1,536

B. Total OPEB liability

The District's total OPEB liability of $217,856,647 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

Actuarial assumptions and other inputs

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, with update procedures used to roll forward the total OPEB liability to the measurement date, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary increases	2.60% average, including inflation
Discount rate	2.16%
Healthcare cost trend rates	5.3% scaling down to 4.1% over 55 years
Retirees' share of benefit-related costs	0% to 8% of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the PubT-2010 Headcount-Weighted Mortality Table for Teaching positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching positions projected to the valuation date with Scale MP-2019.

C. Changes in the total OPEB liability

Balance as of June 30, 2020	$ 223,649,037
Changes for the year -	
Service cost	7,845,908
Interest	5,068,197
Change of demographic gains or losses	(29,389,943)
Change in assumptions or other inputs	15,036,813
Benefit payments	(4,353,365)
Net changes	(5,792,390)
Balance as of June 30, 2021	$ 217,856,647

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Current assumption (2.16%)	1% Increase (3.16%)
Total OPEB liability as of June 30, 2021	$259,300,805	$217,856,647	$185,094,131

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4.3%) or one percentage point higher (6.30%) than the current discount rate:

	1% Decrease (4.30% decreasing to 3.10%)	Current assumption (5.30% decreasing to 4.10%)	1% Increase (6.30% decreasing to 5.10%)
Total OPEB liability as of June 30, 2021	$187,625,344	$217,856,647	$257,830,442

D. OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of $11,411,379. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources - OPEB	Deferred Inflows of Resources - OPEB
Difference between expected experience and actual experience	$ 796,198	$ 25,089,783
Changes in assumptions	37,422,028	20,627,289
Total	$ 38,218,226	$ 45,717,072

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the year ended June 30,:	
2022	$ (1,502,726)
2023	(1,502,726)
2024	(1,502,726)
2025	(1,502,726)
2026	200,664
Thereafter	(1,688,606)

14. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters and other risks. These risks are covered by a combination of self-insurance reserves and commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

The District participates in New York Schools Insurance Reciprocal (“NYSIR”), a non-risk-retained public entity risk pool for its District property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool’s geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events in excess of certain defined limits, and the District has essentially transferred all related risk to the pool.

The District has established a self-insured plan for risks associated with Workers’ Compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. General Fund liabilities only include amounts for reported claims and do not include claims which were incurred on or before year end but not reported (“IBNR”).

Claims activity is summarized below:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
Fiscal years ended June 30:				
2021	$ 750,394	$ 567,753	$ 627,934	$ 690,213
2020	999,317	310,815	559,738	750,394
2019	1,015,147	680,057	695,887	999,317

The District has not purchased any annuity contracts.

15. CONTINGENCIES AND COMMITMENTS

Government grants

The District has received grants, which are subject to audit by agencies of the State and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, would be immaterial.

Property tax cap

In June 2011, the New York State Legislature enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions. For fiscal years through at least June 15, 2020, growth in the property tax levy (the total amount to be raised through property taxes charged on a municipality's taxable assessed value of property) will be capped at 2 percent, plus the inflation factor (but not less than 0 percent), whichever is less, with some exceptions. The New York State Comptroller set the allowable levy growth factor for local governments for fiscal years beginning July 1, 2020 at 1.81% (before exemptions). School districts can exceed the tax levy limit by a 60% vote of the governing body, subject to voter approval.

Litigation

The District is involved in lawsuits arising from the normal conduct of business. Some of these lawsuits seek damages which may be in excess of the District's insurance coverage. However, it is not possible to determine the District's potential exposure, if any, at this time. It is the opinion of the District's attorneys that this will not exceed insurance coverage.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. The extent of the impact of COVID-19 on the District's operational and financial performance, and cash flow needs will depend on certain developments, including the duration and spread of the outbreak, impact on funding sources, employees and vendors, all of which are uncertain and cannot be predicted as of the date of these financial statements.

16. TAX ABATEMENTS

The Suffolk County Industrial Development Agency enters into various property tax abatement programs for the purpose of economic development. The District's property tax revenue was reduced by approximately $1,100,000. The District received payment in lieu of taxes (PILOT) payments totaling $1,702,422.

17. PRIOR PERIOD ADJUSTMENT

The District’s financial statements for the year ended June 30, 2020 have been restated as of July 1, 2020 to give effect to the following:

	Fund Balance	Net Position
Balance as of July 1, 2020, as previously stated	$ 38,533,319	$ (114,036,704)
GASB Statement No. 84 implementation:		
Add: Other Miscellaneous Special Revenue Fund fund balance (calculated under GASB 84)	573,784	573,784
Balance as of July 1, 2020, as restated	$ 39,107,103	$ (113,462,920)

18. FUTURE CHANGES IN ACCOUNTING STANDARDS

The District will evaluate the impact each of these upcoming pronouncements may have on its financial statements and will implement them as applicable and when material. The following is a list of GASB pronouncements issued but not yet effective:

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
Statement No. 87	Leases	June 30, 2022
Statement No. 89	Accounting For Interest Cost Incurred Before The End Of A Construction Period	June 30, 2022
Statement No. 91	Conduit Debt Obligations	June 30, 2023

19. SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the Statement of Net Position through the date of October 7, 2021, which is the date the financial statements were available to be issued, noting the following matters requiring further consideration:

- Subsequent to the fiscal year end, the District issued two serial bonds to fund the cost of capital projects to be borne by the present and future taxpayers receiving the benefit of the capital assets of the District.

- Subsequent to the fiscal year end, the District issued a Tax Anticipation Note, which will be extinguished by the use of the expendable, available resources of the fund after receipt of the anticipated revenues.

COMMACK UNION FREE SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Adopted Budget	Final Budget	Actual	Year-end Encumbrances	Variance
REVENUES					
Local sources:					
Real property taxes	$ 145,379,230	$ 135,226,930	$ 135,226,956		$ 26
Other tax items	1,126,511	11,278,811	11,854,722		575,911
Charges for services	1,566,835	1,566,835	764,816		(802,019)
Use of money and property	2,018,860	2,018,860	1,590,781		(428,079)
Sale of property and compensation for loss	70,000	70,000	84,001		14,001
Miscellaneous	844,671	844,671	401,256		(443,415)
Total local sources	151,006,107	151,006,107	149,922,532		(1,083,575)
State sources	41,247,611	41,247,611	40,151,160		(1,096,451)
Federal sources	100,000	100,000	110,201		10,201
Total revenues	192,353,718	192,353,718	190,183,893		(2,169,825)
OTHER FINANCING SOURCES					
Interfund revenues	1,046,130	1,046,130	-		(1,046,130)
Appropriated reserves	6,805,805	6,805,805	-		(6,805,805)
Total revenues and other financing sources	200,205,653	200,205,653	190,183,893		(10,021,760)
EXPENDITURES					
General support:					
Board of Education	209,657	202,241	167,669	$ -	34,572
Central administration	457,921	462,269	434,906	-	27,363
Finance	2,142,910	2,167,617	2,024,481	43,007	100,129
Staff	822,467	760,539	755,464	-	5,075
Central services	15,639,659	15,058,782	14,448,488	304,030	306,264
Special items	2,077,801	1,982,166	1,982,166	-	-
Total general support	21,350,415	20,633,614	19,813,174	347,037	473,403
Instruction:					
Instruction, administration and improvement	8,390,723	7,569,137	7,474,927	76	94,134
Teaching - regular school	55,877,069	59,555,830	58,826,312	65,374	664,144
Programs for children with handicapping conditions	33,039,803	30,606,660	27,990,006	337,380	2,279,274
Occupational education	947,376	947,376	627,000	-	320,376
Teaching - special school	386,721	386,721	6,926	-	379,795
Instructional media	2,714,014	2,720,049	2,024,111	17,879	678,059
Pupil services	9,469,629	9,463,009	8,484,955	11,269	966,785
Total instruction	110,825,335	111,248,782	105,434,237	431,978	5,382,567
Pupil transportation	13,870,628	13,870,628	13,410,091	2,950	457,587
Employee benefits	41,716,993	41,716,993	37,829,704	-	3,887,289
Debt service:					
Principal	3,360,151	3,163,509	2,070,707	-	1,092,802
Interest	919,206	1,409,202	834,222	-	574,980
Total expenditures	192,042,728	192,042,728	179,392,135	781,965	11,868,628
OTHER FINANCING USES					
Interfund transfers	8,162,925	8,162,925	7,983,012	-	179,913
Total expenditures and other financing uses	200,205,653	200,205,653	187,375,147	$ 781,965	12,048,541
Net change in fund balance	$ -	$ -	2,808,746		$ 2,026,781
Fund balance, beginning of year			28,680,116		
Fund balance, end of year			$ 31,488,862		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

COMMACK UNION FREE SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS

Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability				
Service cost	$ 7,845,908	$ 7,130,431	$ 8,926,090	$ 8,503,539
Interest	5,068,197	6,461,319	6,244,943	5,912,155
Change of demographic gains or losses	(29,389,943)	-	1,326,997	-
Differences between expected and actual experience in the measurement of the total OPEB liability	15,036,813	34,635,903	(34,378,815)	(40,926)
Benefit payments	(4,353,365)	(4,079,505)	(3,686,753)	(3,721,767)
Net change in total OPEB liability	(5,792,390)	44,148,148	(21,567,538)	10,653,001
Total OPEB liability - beginning of year	223,649,037	179,500,889	201,068,427	190,415,426
Total OPEB liability - end of year	$ 217,856,647	$ 223,649,037	$ 179,500,889	$ 201,068,427
Covered payroll	$ 84,707,775	$ 90,673,940	$ 90,673,940	$ 104,691,209
Total OPEB liability as a percentage of covered payroll	257.19%	246.65%	197.96%	192.06%

Note to Required Supplementary Information

Ten years of historical information was not available upon implementation of GASB Statement No. 75. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

The District has no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits, as New York State currently does not allow school districts to establish this type of trust. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

COMMACK UNION FREE SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY) - NYSERS & NYSTRS
LAST SEVEN FISCAL YEARS
(Dollar amounts in thousands)

NYSERS

	(C) 2021	(B) 2020	2019	2018	2017	(A) 2016	2015
District's proportionate share of the net pension liability	0.04598%	0.04612%	0.04736%	0.04991%	0.05125%	0.50900%	0.04869%
District's proportionate share of the net pension liability	$ (46)	$ (12,212)	$ (3,355)	$ (1,611)	$ (4,815)	$ (8,177)	$ (1,645)
District's covered payroll	$ 16,001	$ 15,919	$ 15,533	$ 15,200	$ 14,578	$ 14,706	$ 14,051
District's proportionate share of the net pension liability as a percentage of covered payroll	0.29%	76.71%	21.60%	10.60%	33.03%	55.60%	11.71%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

The amounts presented for each fiscal year were determined (bi-annually) as of March 31.

NYSTRS

	2021	(F) 2020	2019	(E) 2018	(D) 2017	2016	2015
District's proportionate share of the net pension asset (liability)	0.47976%	0.49731%	0.50328%	0.51331%	0.52556%	0.51957%	0.51166%
District's proportionate share of the net pension asset (liability)	$ (13,257)	$ 12,920	$ 9,101	$ 3,902	$ (5,629)	$ 53,967	$ 56,995
District's covered payroll	$ 81,862	$ 83,660	$ 81,924	$ 81,342	$ 81,614	$ 78,055	$ 75,515
District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	16.19%	15.44%	11.11%	4.80%	6.90%	69.14%	75.48%
Plan fiduciary net position as a percentage of the total pension asset (liability)	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

The amounts presented for each fiscal year were determined (bi-annually) as of June 30.

(A) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

(B) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(C) The discount rate used to calculate the total pension liability was decreased from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

(D) The discount rate used to calculate the total pension liability was decreased from 8.0% to 7.5% effective with the June 30, 2016 measurement date.

(E) The discount rate used to calculate the total pension asset was decreased from 7.5% to 7.25% effective with the June 30, 2017 measurement date.

(F) The discount rate used to calculate the total pension liability was decreased from 7.25% to 7.10% effective with the June 30, 2019 measurement date.

Note to Required Supplementary Information

Ten years of historical information was not available upon implementation of GASB Statement No. 68. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

COMMACK UNION FREE SCHOOL DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS - NYSERS & NYSTRS
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)

NYSERS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 2,277	$ 2,251	$ 2,277	$ 2,271	$ 2,239	$ 2,552	$ 2,695	$ 2,695	$ 2,491	$ 1,554
Contributions in relation to the contractually required contribution	2,277	2,251	2,277	2,271	2,239	2,552	2,695	2,695	2,491	1,554
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 15,950	$ 16,536	$ 15,531	$ 15,200	$ 14,460	$ 14,985	$ 14,524	$ 13,740	$ 14,196	$ 14,419
Contributions as a percentage of covered payroll	14.28%	13.61%	14.66%	14.94%	15.48%	17.03%	18.56%	19.61%	17.55%	10.78%

NYSTRS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 7,215	$ 8,816	$ 8,034	$ 8,029	$ 9,533	$ 10,754	$ 13,859	$ 12,334	$ 8,648	$ 8,009
Contributions in relation to the contractually required contribution	7,215	8,816	8,034	8,029	9,533	10,754	13,859	12,334	8,648	8,009
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 81,940	$ 81,862	$ 75,649	$ 81,924	$ 81,342	$ 81,101	$ 79,059	$ 75,902	$ 72,837	$ 72,029
Contributions as a percentage of covered payroll	8.80%	10.77%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.87%	11.12%

COMMACK UNION FREE SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

Change from adopted budget to final budget:		
Original budget	$ 199,759,525	
Add: Prior year's encumbrances	446,128	
Adopted budget		$ 200,205,653
Add: Supplemental appropriations		-
Final budget		$ 200,205,653
§1318 of real property tax law limit calculation:		
2021-2022 voter-approved budget		$ 205,126,576
Maximum allowed (4% of 2021-2022 budget)		$ 8,205,063
General Fund fund balance subject to §1318 of real property tax law:		
Unrestricted fund balance:		
Assigned fund balance	$ 11,177,585	
Unassigned fund balance	8,155,062	$ 19,332,647
Less:		
Appropriated fund balance	10,395,620	
Encumbrances	781,965	11,177,585
General Fund fund balance subject to §1318 of real property tax law		$ 8,155,062
Actual percentage		3.98%

COMMACK UNION FREE SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES AND FINANCING SOURCES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

			Expenditures				Methods of Financing				
Project Title	Budget June 30, 2020	Budget June 30, 2021	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2021
2001 Bond Projects:											
High School Site, Turf and Track	$ 973,688	$ 1,773,688	$ 960,395	$ 804,942	$ 1,765,337	$ 8,351	$ 1,773,688	$ -	$ -	$ 1,773,688	$ 8,351
Unallocated Projects	-	73,730	-	-	-	73,730	73,730	-	-	73,730	73,730
2019 Bond Projects:											
Burr Capital Improvements	3,386,186	3,386,186	60,085	29,217	89,302	3,296,884	3,386,186	-	-	3,386,186	3,296,884
Burr HVAC	-	2,315,000	-	19,619	19,619	2,295,381	2,315,000	-	-	2,315,000	2,295,381
Cedar Road Roof	2,487,450	2,510,450	33,694	64,946	98,640	2,411,810	2,510,450	-	-	2,510,450	2,411,810
Cedar Road Windows and Doors	1,052,582	1,074,613	-	37,952	37,952	1,036,661	1,074,613	-	-	1,074,613	1,036,661
High School Restrooms and Science	9,612,250	9,612,250	130,202	101,319	231,521	9,380,729	9,612,250	-	-	9,612,250	9,380,729
High School HVAC	-	6,396,000	-	54,203	54,203	6,341,797	6,396,000	-	-	6,396,000	6,341,797
Indian Hollow Restroom and Park Lot	1,438,533	1,438,533	39,093	18,650	57,743	1,380,790	1,438,533	-	-	1,438,533	1,380,790
Indian Hollow HVAC	-	750,000	-	6,356	6,356	743,644	750,000	-	-	750,000	743,644
Long Acre Roof and Windows	5,093,522	5,093,522	68,994	100,152	169,146	4,924,376	5,093,522	-	-	5,093,522	4,924,376
Long Acre Boiler Replacement	442,800	454,395	5,998	115,633	121,631	332,764	454,395	-	-	454,395	332,764
Middle School Roof	6,257,577	6,262,195	83,476	152,460	235,936	6,026,259	6,262,195	-	-	6,262,195	6,026,259
Middle School Restrooms and Science	6,944,400	6,953,571	94,065	228,556	322,621	6,630,950	6,953,571	-	-	6,953,571	6,630,950
Middle School HVAC	-	2,618,750	-	22,193	22,193	2,596,557	2,618,750	-	-	2,618,750	2,596,557
MSIS Capital Improvements	1,969,600	1,969,600	26,679	26,126	52,805	1,916,795	1,969,600	-	-	1,969,600	1,916,795
MSIS HVAC	-	1,625,000	-	13,771	13,771	1,611,229	1,625,000	-	-	1,625,000	1,611,229
North Ridge Restrooms and Park Lot	1,539,932	1,555,809	33,042	47,064	80,106	1,475,703	1,555,809	-	-	1,555,809	1,475,703
North Ridge HVAC	-	750,000	-	6,356	6,356	743,644	750,000	-	-	750,000	743,644
Old Farms Roof	1,775,643	3,766,152	24,098	113,902	138,000	3,628,152	3,766,152	-	-	3,766,152	3,628,152
Old Farms Boiler Replacement	442,800	454,349	5,998	46,350	52,348	402,001	454,349	-	-	454,349	402,001
Rolling Hills Restrooms	542,800	548,570	7,352	21,703	29,055	519,515	548,570	-	-	548,570	519,515
Rolling Hills HVAC	-	820,000	-	6,949	6,949	813,051	820,000	-	-	820,000	813,051
Saktikos Roof	1,734,643	1,734,643	23,542	37,459	61,001	1,673,642	1,734,643	-	-	1,734,643	1,673,642
Smiths Lane Windows and Exterior Door	1,242,047	1,242,047	16,824	16,744	33,568	1,208,479	1,242,047	-	-	1,242,047	1,208,479
Wood Park Restrooms	424,800	543,191	5,751	32,728	38,479	504,712	543,191	-	-	543,191	504,712
Wood Park HVAC	-	750,000	-	6,356	6,356	743,644	750,000	-	-	750,000	743,644
Districtwide Fiber Optic & Door Access	-	458,767	-	5,958	5,958	452,809	458,767	-	-	458,767	452,809
Unallocated	21,136,433	2,440,404	-	-	-	2,440,404	2,440,404	-	-	2,440,404	2,440,404
EXCEL Projects:											
Burr - Security Upgrades	61,018	61,018	61,018	-	61,018	-	38,869	22,149	-	61,018	-
SMIS - Security Upgrades	52,213	52,213	52,213	-	52,213	-	33,224	18,989	-	52,213	-
Unallocated Projects	253,274	253,274	-	-	-	253,274	253,274	-	-	253,274	253,274
EPC 17:											
Burr - EPC	840,595	840,595	693,034	67,309	760,343	80,252	840,595	-	-	840,595	80,252
Cedar Road - EPC	135,899	135,899	82,453	47,786	130,239	5,660	135,899	-	-	135,899	5,660
High School - EPC	5,978,737	5,978,737	4,455,451	1,106,181	5,561,632	417,105	5,978,737	-	-	5,978,737	417,105
Hubbs - EPC	305,708	305,708	160,550	132,515	293,065	12,643	305,708	-	-	305,708	12,643
Indian Hollow - EPC	1,432,810	1,432,810	1,223,833	149,367	1,373,200	59,610	1,432,810	-	-	1,432,810	59,610
Long Acre - EPC	136,638	136,638	62,898	68,064	130,962	5,676	136,638	-	-	136,638	5,676
Maintenance - EPC	18,081	18,081	16,479	781	17,260	821	18,081	-	-	18,081	821
Middle School - EPC	674,366	674,366	497,206	132,895	630,101	44,265	674,366	-	-	674,366	44,265
MSIS - EPC	780,890	780,890	644,255	82,540	726,795	54,095	780,890	-	-	780,890	54,095
North Ridge - EPC	1,849,609	1,849,609	1,570,023	202,954	1,772,977	76,632	1,849,609	-	-	1,849,609	76,632
Old Farms - EPC	123,951	123,951	53,747	65,065	118,812	5,139	123,951	-	-	123,951	5,139
Rolling Hills - EPC	1,833,091	1,833,091	1,543,778	213,449	1,757,227	75,864	1,833,091	-	-	1,833,091	75,864
Sagtikos - EPC	211,714	211,714	49,653	153,302	202,955	8,759	211,714	-	-	211,714	8,759
Wood Park - EPC	218,456	218,456	173,682	35,659	209,341	9,115	218,456	-	-	218,456	9,115
2016-2020 General Fund Appropriations:											
Closed Projects	1,432,944	1,432,944	1,432,944	-	1,432,944	-	1,432,944	-	-	1,432,944	-
Bur Capital Improvement	105,472	192,962	3,566	83,698	87,264	105,698	192,962	-	-	192,962	105,698
Cedar Road Capital Improvement	125,000	125,000	3,631	-	3,631	121,369	125,000	-	-	125,000	121,369
High School Capital Improvement	150,484	164,460	4,667	72,013	76,680	87,780	164,460	-	-	164,460	87,780
High School Site, Turf and Track	538,228	208,274	27,698	158,029	185,727	22,547	208,274	-	-	208,274	22,547
Hubbs Capital Improvement	125,000	125,000	3,314	-	3,314	121,686	125,000	-	-	125,000	121,686
Indian Hollow Capital Improvement	75,465	90,021	2,456	12,983	15,439	74,582	90,021	-	-	90,021	74,582
Long Acre Capital Improvement	245,000	245,000	6,290	-	6,290	238,710	245,000	-	-	245,000	238,710
Middle School Capital Improvement	165,487	176,184	4,822	22,114	26,936	149,248	176,184	-	-	176,184	149,248
MSIS Capital Improvement	95,470	136,312	3,215	63,522	66,737	69,575	136,312	-	-	136,312	69,575
North Ridge Capital Improvement	117,475	124,531	3,535	13,333	16,868	107,663	124,531	-	-	124,531	107,663
Old Farms Capital Improvement	198,000	198,000	5,188	-	5,188	192,812	198,000	-	-	198,000	192,812
Sagtikos Elem Capital Improvement	318,149	321,452	282,792	16,657	299,449	22,003	321,452	-	-	321,452	22,003
Smith Lane Capital Improvement	308,892	313,489	204,811	15,768	220,579	92,910	313,489	-	-	313,489	92,910
Wood Park Capital Improvement	95,470	122,013	3,070	36,008	39,078	82,935	122,013	-	-	122,013	82,935
Unallocated	2,698,244	3,069,137	-	-	-	3,069,137	3,069,137	-	-	3,069,137	3,069,137
Smart Schools:											
Smart Schools	343,500	343,500	244,085	77,888	321,973	21,527	343,500		343,500	343,500	21,527
Smart Schools	1,886,258	1,886,258	1,442,844	-	1,442,844	443,414	440,594	1,445,664	-	1,886,258	443,414
Totals	$ 92,429,274	$ 93,553,002	$ 16,638,489	$ 5,167,544	$ 21,806,033	$ 71,746,969	$ 92,066,200	$ 1,486,802	$ 343,500	$ 93,553,002	71,746,969

Less: Smart Schools Bond Receivable	(784,100)
Less: Funding 2019 Bond	(67,523,998)
Less: EXCEL AID	(44,306)
	$ 3,394,565

COMMACK UNION FREE SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2021

Capital assets, net		$ 105,571,223
Add:		
Deferred charges for advance refunding	$ 672,947	
Restricted capital cash	3,454,624	
Restricted debt service cash	718,471	4,846,042
Deduct:		
Short-term portion of bonds payable	6,671,425	
Long-term portion of bonds payable	19,665,295	
Short-term portion of energy performance contract payable	2,283,045	
Long-term portion of energy performance contract payable	21,999,708	50,619,473
Net investment in capital assets		$ 59,797,792

COMMACK UNION FREE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/ Pass - Through Grantor/ Cluster Title/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
Passed Through Programs From:			
New York State Department of Education			
Special Education Cluster:			
IDEA, Part B, Section 611, Special Education Grants to States	84.027A	0032-21-0461	$ 698,481
IDEA, Part B, Section 619, Special Education Preschool Grants	84.173A	0033-21-0461	35,325
Total Special Education Cluster			733,806
CARES Act, Education Stabilization Fund Cluster:			
CARES Act, ESF, Elementary and Secondary School Emergency Relief 2	84.425D	5891-21-3100	57,448
ESEA, Title II, Part A, Improving Teacher Quality State Grants	84.367A	0147-21-1680	6,570
ESEA, Title II, Part A, Improving Teacher Quality State Grants	84.367A	0147-20-1680	24,570
ESEA, Title III, Part A, Language Enhancement and Academic Achievement Act	84.365A	0293-21-1680	238
ESEA, Title III, Part A, Language Enhancement and Academic Achievement Act	84.365A	0293-20-1680	652
Total U.S. Department of Education			823,284
U.S. Department of Agriculture			
Passed Through Program From:			
New York State Office of General Services			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	17,596
National School Lunch Program	10.555	N/A	190,315
Summer Food Service Program	10.559	N/A	1,662,913
Emergency Food Assistance Program	10.569	N/A	148,811
Total Child Nutrition Cluster			2,019,635
Total U.S. Department of Agriculture			2,019,635
TOTAL FEDERAL EXPENDITURES			$ 2,842,919

The accompanying notes should be read
in conjunction with this schedule.

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Commack Union Free School District (the “District”) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance of the District.

2. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District’s financial reporting system. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Matching costs (the District’s share of certain program costs) are not included in the reported expenditures.

Non-monetary assistance is reported in the schedule at the fair market value of commodities received, which is provided by New York State.

3. INDIRECT COSTS

The Commack Union Free School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

4. SUBRECIPIENTS

No amounts were provided to subrecipients.

5. OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District’s casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

6. MAJOR PROGRAM DETERMINATION

The District was deemed to be a “low-risk auditee”, therefore, major programs were determined based on 20% of total federal award expenditures.

NawrockiSmith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education of the
Commack Union Free School District
Towns of Huntington and Smithtown, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Commack Union Free School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 7, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. Reference is made to the Schedule of Findings and Recommendations accompanying this report for additional observations on internal control.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hauppauge, New York
October 7, 2021

Nawrocki Smith LLP

NawrockiSmith
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education of the
Commack Union Free School District
Towns of Huntington and Smithtown, New York:

Report on Compliance for Each Major Federal Program

We have audited the Commack Union Free School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hauppauge, New York
October 7, 2021

Nawrocki Smith LLP

1. Summary Of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies or material weaknesses were reported during the audit of the financial statements.
3. No instances of noncompliance were disclosed during the audit of the financial statements.
4. No significant deficiencies or material weaknesses were reported during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs that are required to be reported in accordance with section 2 CFR 200.516 (a) of the Uniform Guidance, were disclosed during the audit.
7. The programs tested as a major program included:

CFDA Number	Name of Federal Program
	U.S. Department of Education -
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program
10.569	Emergency Food Assistance Program

8. The threshold for distinguishing Type A and B programs was $750,000.
9. Auditee was determined to be a low-risk auditee.

2. Findings - Financial Statement Audit

None reported.

3. Findings And Questioned Costs - Major Federal Award Program Audit

None reported.

Findings - Financial Statement Audit

2020-001 Recommendation: The District should monitor fund balance in the upcoming year, as conditions related to COVID-19 present, to comply with New York State requirements.

Status: We noted this recommendation was implemented.

Findings And Questioned Costs - Major Federal Award Programs Audit

None reported.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS:

We noted no other areas of improvement as a result of our audit procedures for the current year.

APPENDIX D

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

FORM OF OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

September , 2022

The Board of Education of
Commack Union Free School District,
in the County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to Commack Union Free School District (the "School District"), in the County of Suffolk, a school district of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the $36,000,000 Tax Anticipation Notes for 2022-2023 Taxes (the "Note"), dated and delivered the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon subject to certain statutory limitations. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the School District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

APPENDIX E

FORM OF EVENTS NOTICE UNDERTAKING

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

"EMMA" shall mean Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" shall mean "financial obligation" as such term is defined in the Rule.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Holder" shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

"Issuer" shall mean the Commack Union Free School District, in the County of Suffolk, a school district of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Purchaser" shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of September 21, 2022.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

"Securities" shall mean the Issuer's $36,000,000 Tax Anticipation Notes for 2022-2023 Taxes, dated October 6, 2022, maturing on June 28, 2023, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

(7) modifications to rights of Securities holders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **October 6, 2022.**

COMMACK UNION FREE SCHOOL DISTRICT

By____

President of the Board of Education