This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 7, 2018

NEW ISSUES **BONDS AND 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 Bonds and 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 Bonds and the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds and 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 Bonds and the Notes WILL be designated by the District as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

MANHASSET UNION FREE SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK

$643,194*
SCHOOL DISTRICT SERIAL BONDS – 2018
(the "Bonds")

Date of Issue: Date of Delivery **Maturity Dates: June 15, 2019 to 2030**

and

$6,000,000*
TAX ANTICIPATION NOTES FOR 2018-2019 TAXES
(the "Notes")

Date of Issue: September 26, 2018 **Maturity Date: June 25, 2019**

The Bonds are general obligations of the Manhasset Union Free School District, in Nassau 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 Bonds and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, without limitation as to rate or amount.

The Notes are general obligations of 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 Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable on June 15, 2019, December 15, 2019 and semi-annually thereafter on June 15 and December 15 in each year until maturity. The Bonds shall mature on June 15 in the years and in the principal amounts as specified on the inside cover page hereof. The Bonds maturing in certain years will be subject to redemption prior to their stated maturity, as specified on the inside cover page hereof. (See "Optional Redemption," herein.)

The Notes are dated their Date of Issue and bear interest from that date until the Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the Notes. 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, the Notes will be (i) registered in the name of the successful bidder(s) or (ii) registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company ("DTC"), as book-entry notes.

If the Notes are registered in the name of the successful bidder, 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 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 bidder(s).

DTC will act as Securities Depository for the Bonds and for those Notes issued as book-entry notes and when issued, said Bonds and Notes will be registered to Cede & Co, as the partnership nominee for DTC. Individual purchases may be made in book-entry form only, in principal amounts of $5,000 or integral multiples thereof, except for one necessary odd denomination in the first maturity of the Bonds. Purchasers will not receive certificates representing their ownership interests in the Bonds and those Notes issued as book-entry-only notes. Payment of the principal of and interest on such Bonds and Notes will be made by the District to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Bonds and Notes as described herein. (See "*Description of Book-Entry System*" herein.)

Capital Markets Advisors, LLC has served a Municipal Advisor to the District in connection with the issuance of the Bonds and the Notes.

The Bonds and the Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds and the Notes will be available for delivery through the offices of DTC in Jersey City, New Jersey on September 26, 2018.

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

Dated: September __, 2018

* Preliminary, subject to change.

The Bonds mature on June 15th in the years, subject to prior redemption, as set forth below:

Year	Amount*	Interest Rate	Yield	CUSIP***	Year	Amount*	Interest Rate	Yield	CUSIP***
2019	$ 48,194	%	%		2025	$ 55,000	%	%	
2020	50,000				2026	55,000			
2021	50,000				2027**	55,000			
2022	50,000				2028**	60,000			
2023	50,000				2029**	60,000			
2024	50,000				2030**	60,000			

* The principal amounts of the Bonds are subject to adjustment following the sale of the Bonds, pursuant to the terms of the accompanying Notice of Sale to achieve substantially level or declining annual debt service.

** Subject to optional redemption prior to maturity, as discussed herein. (See "*Optional Redemption*" herein.)

*** CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the holders of the Bonds. The District is not responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Bonds or as indicated above.

MANHASSET UNION FREE SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK

2018-19 BOARD OF EDUCATION

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 shall there be any sale of the Bonds and 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 hereon.

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APPENDIX A

OFFICIAL STATEMENT

MANHASSET UNION FREE SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK

Relating To

$643,194*
SCHOOL DISTRICT SERIAL BONDS – 2018
(the "Bonds")

and

$6,000,000*
TAX ANTICIPATION NOTES FOR 2018-2019 TAXES
(the "Notes")

This Official Statement, including the cover page, inside cover page and appendices hereto, presents certain information relating to the Manhasset Union Free School District in the County of Nassau, State of New York (the "District," "County" and "State," respectively) in connection with the sale of $643,194* School District Serial Bonds – 2018 (the "Bonds") and $6,000,000* Tax Anticipation Notes for 2018-2019 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 Bonds and the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes and such proceedings.

THE BONDS

Description of the Bonds

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser, payable on June 15, 2019, December 15, 2019 and semi-annually thereafter ON June 15 and December 15 in each year until maturity. The Bonds shall mature on June 15th in the years and in the principal amounts as specified on the inside cover page hereof. The Bonds maturing in certain years will be subject to redemption prior to their stated maturity. (See "*Optional Redemption*" herein).

The Bonds will be issued as fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof, except for one necessary odd denomination in the first maturity of the Bonds. Purchasers will not receive certificates representing their interest in the Bonds.

Principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent disbursement to the beneficial owners of the Bonds as described under "*Description of Book-Entry System*" herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the District referred to therein.

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*Preliminary, subject to change.

The record date for payment of principal and interest on the Bonds is the last business day of the calendar month preceding each interest payment date.

Authority for and Purpose of the Bonds

The Bonds are issued pursuant to the Constitution and laws of the State, and a bond resolution adopted by the Board of Education of the District on February 5, 2015, following approval of a proposition by a majority of the voters of the District voting thereon at a Special District Meeting held on December 3, 2014, authorizing the issuance of bonds of said District in the principal amount of $19,959,870 to finance the construction of improvements and alterations to all District school buildings and the sites thereof. The proceeds from the sale of the Bonds will be used to provide additional original financing pursuant to this resolution.

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. Paying agent fees, if any, will be paid by the purchaser. The District's contact information is Ms. Rosemary Johnson, Deputy Superintendent for Business and Finance, telephone number (516) 267-7724, email: rosemary_johnson@manhassetschools.org

Authority for and Purpose of the 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 Eduction of the District to finance cash flow requirements in anticipation of the collection of 2018-2019 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 were or are to be levied, as specified in the 2018-2019 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 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 2018-2019 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.

THE BONDS AND THE NOTES

Nature of Obligation

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

The Bonds are 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 and interest the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District, without limitation as to rate or amount.

The Notes are 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 and interest 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 Tax Levy Limit Law. (See "*The 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 Bonds and the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefore. Chapter 97 of the New York Laws of 2011, as amended, (the "Tax Levy Limit 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 incurrence 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, such as the Bonds. 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.)

Optional Redemption

The Bonds maturing on or before June 15, 2026 are not subject to redemption prior to their stated maturity. The Bonds maturing on or after June 15, 2027 will be subject to redemption prior to maturity, at the option of the District, on any date on or after June 15, 2026, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The District may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the District shall determine to be in the best interest of the District at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the District by lot in any customary manner of selection as determined by the District. Notice of such call for redemption shall be given by mailing such notice to the registered owner not less than thirty (30) days nor more than sixty (60) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

REMEDIES UPON DEFAULT

Neither the Bonds and the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds and the Notes should the District default in the payment of principal of or interest on the Bonds and the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds and the Notes upon the occurrence of any such default. The Bonds and 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 Bonds and 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 Bonds and the Notes, the owners of such Bonds and the 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 Bonds and 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 Bonds and the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds and 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 Bonds and 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 holders of obligations, 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.

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. <u>While this Local Finance Law provision does not</u> 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 Bonds and 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.

SECTION 99-B OF THE STATE FINANCE LAW

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.

DESCRIPTION OF BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. In the event that any of the Notes are issued in book-entry form, DTC will act as securities depository for the Notes. The Bonds and such Notes will be issued as fully-registered bonds and 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 bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC. One fully-registered note certificate will be issued for each Note which bears the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, and will be deposited with DTC.

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 Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each bond or note ("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 Bonds and 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 Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

To facilitate subsequent transfers, all Bonds and 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 Bonds and 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 Bonds and the Notes; DTC's records reflect only the identity of the Direct

Participants to whose accounts such Bonds and 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 Bonds and 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 Bonds and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and 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 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 Bonds and 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, bond and 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, bond and 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

MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND SCHOOL DISTRICTS OF THE STATE

There are certain potential risks associated with an investment in the Bonds and 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. Accordingly, a decline in the District's credit rating could adversely affect the market value of the Bonds and the Notes.

In addition, if and when a holder of any of the Bonds or the Notes should elect to sell a Bond or Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any Bonds or Notes. The price or principal value of the Bonds and the Notes is dependent on the prevailing level of interest rates. If interest rates should increase, the price of a bond or note may decline causing the bond or noteholder to potentially incur a capital loss if such bond or note is sold prior to its maturity.

The financial condition of the District as well as the market for the Bonds and the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality 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 Bonds and the Notes. If a significant default or other financial crisis should occur in the affairs of the State or at any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Bonds and 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 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.

CYBERSECURITY

The District, like many other public and private entities, relies on technology as an integral part of its day-to-day 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 computer 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. These include redundant firewalls, email filtering, extensive use of zero client terminals to reduce the threat of surface attacks, servers locked behind physical locks with limited access, active network monitoring for anomalous traffic, redundant internet access providers, a zero downtime backup of all network data to a second location, and full vetting of third party software for compliance with New York State's Parents Bill of Rights for Student Data Privacy Act. In addition to the internal protection systems and protocols discussed herein, the District has secured cyber security insurance.

It is noted that no assurances can be given that such security and operational control measures will be completely successful to guard against all cyber threats.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. Except as otherwise set forth herein and apart from matters provided for by applicable insurance coverage, the attorneys for the District are unaware of any claims or action pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

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 covenants described herein, (i) interest on the Bonds and 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 Bonds and the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018. The Tax Certificates of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds and 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 Bonds and 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 Bonds and 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 Bonds and 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 Bonds or 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 Bonds or 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 Bonds and the Notes in order that interest on the Bonds and 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 Bonds and 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 Bonds or 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 Bonds and 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 Bonds and the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond or 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 Bonds or Notes.

Prospective owners of the Bonds and 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 Bonds and 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 Bond or 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 bond or 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 Bonds or the Notes. In general, the issue price for each maturity of Bonds or 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 Bonds or Notes having OID (a "Discount Obligation"), OID that has accrued and is properly allocable to the owners of the Discount Obligations 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 Bonds or the Notes.

In general, under Section 1288 of the Code, OID on a Discount Obligation 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 Obligation. An owner's adjusted basis in a Discount Obligation is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Obligation. 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 Obligation even though there will not be a corresponding cash payment.

Owners of Discount Obligations 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 Obligations.

Bond Premium

In general, if an owner acquires a Bond or 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 Bond or Note after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond or Note (a "Premium Obligation"). In general, under Section 171 of the Code, an owner of a Premium Obligation must amortize the bond premium over the remaining term of the Premium Obligation, based on the owner's yield over the remaining term of the Premium Obligation, determined based on constant yield principles (in certain cases involving a Premium Obligation 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 Premium Obligation). An owner of a Premium Obligation 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 bond premium allocable to that period. In the case of a tax-exempt Premium Obligation, if the bond 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 Obligation may realize a taxable gain upon disposition of the Premium Obligation 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 Obligations should consult their own tax advisors regarding the treatment of bond 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 Obligations.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds and 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 Bond or 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 Bonds and 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, may adversely affect the tax-exempt status of interest on the Bonds or the Notes under federal or state law or otherwise prevent beneficial owners of the Bonds or 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) and such decisions could affect the market price or marketability of the Bonds or the Notes.

Prospective purchasers of the Bonds and 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 Bonds and the Notes are subject to the respective approving legal opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. The respective opinions of Bond Counsel will be in substantially the forms attached hereto as Appendices D and E.

DISCLOSURE UNDERTAKINGS

Disclosure Undertaking for the Bonds

In order to assist the purchasers 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") with respect to the Bonds, the District will execute an Undertaking to Provide Continuing Disclosure, the form of which is attached hereto as Appendix F.

Disclosure Undertaking for the Notes

In order to assist the purchasers in complying with Rule 15c2-12 with respect to the Notes, the District will execute a Certificate to Provide Notices of Events, the form of which is attached hereto as Appendix G.

Compliance History

The District did not file a material event notice with respect to the bond call of its School District Serial Bonds for Library Purposes – 2004 on September 15, 2013.

The District has reviewed and modified its continuing disclosure practices to ensure that all material event notices are filed in a timely manner. The District has also corrected any past failures to file as required.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck and New York, New York, (the "Municipal Advisor") is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the District in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the District. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds or the Notes.

RATINGS

The District has applied to Moody's Investors Service ("Moody's) for a rating on the Bonds. Such application is pending at this time. The District did not apply for a rating on the Notes.

The District's underlying credit rating with Moody's is "Aa1".

Such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency, at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such bonds or the availability of a secondary market for those bonds.

ADDITIONAL INFORMATION

Periodic public reports relating to the financial condition of the District, its operations and the balances, receipts and disbursements of the various funds of the District are available for the public inspection at the business office of the District.

Additional information may be obtained from the office of the District's Deputy Superintendent for Business and Finance, Ms. Rosemary Johnson (516) 267-7724, or from the District's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 487-9817.

The District will act as Paying Agent with respect to the Bonds and the Notes. The District's Deputy Superintendent for Business and Finance noted above should be used as the Paying Agent contact.

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

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. 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. Capital Markets Advisors, LLC 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 Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC 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. Capital Markets Advisors, LLC and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

This Official Statement is submitted only in connection with the sale of the Bonds and the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

MANHASSET UNION FREE SCHOOL DISTRICT

By: ______________________________

Regina Rule
President of the Board of Education

DATED: September __, 2018

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APPENDIX A

THE DISTRICT

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THE DISTRICT

General Information

Manhasset Union Free School District is located in the northwestern corner of Nassau County, in the Town of North Hempstead (the "Town"), on the north shore of Long Island. The District encompasses the southwestern portion of the Port Washington peninsula, which includes an extensive shore along Manhasset Bay lying to the west. Due to its close proximity to New York City, many District residents commute by car, bus or train to Manhattan, where they are engaged in various professions. The approximate area of the District is 4.9 square miles.

The area is largely residential and consists of estates with substantial residences, many housing developments and apartment houses. Manhasset, an unincorporated area, is the government seat of the Town. Commercial activity in the District is primarily retail in nature. The two main business areas, one on Plandome Road, and the other on Northern Boulevard, known as the "Miracle Mile," draw consumers from surrounding areas, as well as, provide employment opportunities for residents of the District. The Miracle Mile has branches of high end New York City stores such as Brooks Brothers, Tiffany's, Ralph Lauren, Cartier, Dior, Bottega Veneta, Hermes, Gucci, Burberry, Chanel, Fendi, Giorgio Armani, Prada and Louis Vuitton.

The District includes the incorporated Villages of Munsey Park, Plandome, Plandome Heights, and Plandome Manor and parts of the incorporated Villages of Flower Hill and North Hills. A network of roads leads to and from the District, giving vehicular traffic ready access to the major east-west arteries leading either into New York City, or to eastern Long Island. These include Northern Boulevard (Route 25A), the Northern State Parkway, and the Long Island Expressway.

The District is served by the Port Washington branch of the Long Island Railroad. There is frequent west-bound train service to Pennsylvania Station, New York, with the trip taking approximately one-half hour. East-bound service to Great Neck, Manhasset and Port Washington is also on a frequent basis.

Water service is provided by the Manhasset-Lakeville Water District, sewage collection by Nassau County, and gas and electric service by the PSEG Long Island. Police protection is furnished by the Nassau County Police District, while fire protection is provided by the Manhasset-Lakeville Fire Department.

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education (the "Board"). Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members of the Board. Board members are generally elected for a term of three years.

In early July of each year, the Board meets for the purpose of reorganization. At that time, the Board elects a President and a Vice President, and appoints a District Clerk and District Treasurer.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Deputy Superintendent for Business and Finance and the District Treasurer.

Financial Statements and Accounting Procedures

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for School Districts. Such accounts are audited annually by independent auditors, and are available for public inspection upon request.

Budgetary Procedure

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 Tax Levy Limit Law"* herein).

On May 16, 2017, a majority of the voters of the District approved the District's budget for the 2017-2018 fiscal year. On May 15, 2018, a majority of the voters of the District approved the District's budget for the 2018-2019 fiscal year. Summaries of the District's Approved Budgets for the fiscal years 2017-2018 and 2018-2019 may be found in Appendix B, herein.

School Enrollment Trends

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

School Enrollment Trends

Fiscal Year	Actual Enrollment	Fiscal Year	Projected Enrollment[1]
2013-14	3,325	2018-19	3,257
2014-15	3,376	2019-20	3,257
2015-16	3,358	2020-21	3,257
2016-17	3,307	2021-22	3,257
2017-18	3,315	2022-23	3,257

(1) Includes District students who attend special education schools located outside of the District's boundaries.
Source: District Officials.

District Facilities

The District operates the following facilities; statistics relating to each are shown below.

School Statistics

Name	Year Originally Built	Construction Type	Present Capacity
Munsey Park Elementary	1939	Masonry	868
Shelter Rock Elementary	1968	Masonry	811
Manhasset Jr/Sr High School	1935	Masonry	1,676

Source: District Officials.

Employees

The District provides services through 522 employees who are represented by the following units of organized labor.

Employees

Number of Employees	Organization	Contract Expiration Date
304	Manhasset Education Association	6/30/2020
18	Administrative Supervisors	6/30/2020
175	Support Personnel	6/30/2019
25	Non-Union	NA

Source: District Officials.

Employee Pension Benefits

New York State certified teachers and administrators are members of the New York State Teachers Retirement System ("TRS"). Payments to the TRS are generally deducted from State aid payments. All non-certified 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 (the "State Retirement System," "SRS" or the "Systems") are noncontributory with respect to members hired prior to July 1, 1976. All members of the respective systems that were hired on or after July 1, 1976 and before December 31, 2009, 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, then Governor Paterson signed into law a new Tier V. The law is effective for new ERS and TRS employees hired after January 1, 2010. New ERS employees now contribute 3% of their salaries and new TRS employees now contribute 3.5% of their salaries. There is no provision for these 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 VI for employees hired after April 1, 2012. The Division of the Budget estimates the new tier will save the State and local governments outside of New York City $80 billion over the next 30 years. The new pension tier has progressive contribution rates between 3% and 6%; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 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.

Pension reform legislation enacted in 2003 and 2004 changed the cycle of ERS billing to match budget cycles of the District. The reform legislation also required the District to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would otherwise make a lower contribution possible.

Due to poor performance of the investment portfolio of the SRS, the employer Actuarially Required Contribution rates ("ARCs") for required pension contributions to the SRS increased almost 300% over five years. To help mitigate the impact of such increases, legislation was enacted in 2010 that permitted local governments to amortize a portion of ERS contributions (the "2010 SCO"). Under such legislation, local governments that choose to amortize are required to set aside and reserve funds with the ERS for certain future rate increases. The District did not amortize such contributions pursuant to the 2010 SCO; however, the District did amortize certain portions of its pension obligations under a 2013 SCO (as hereinafter defined).

Pension Deferrals Under the 2013 Stable Contribution Option

The average actuarial required contribution ("ARC") for ERS for support personnel is approximately 14.93% of member payroll in 2017-18 and was approximately 15.18% of member payroll in 2016-17, 17.99% of member payroll in 2015-16, 19.24% of member payroll in 2014-15, 20.31% of member payroll in 2013-14, 18.9% of member payroll in 2012-13, 16.3% in 2011-12, 11.2% in 2010-11 and 7.0% in 2009-10.

The ARC for TRS for certificated personnel is approximately 9.80% of member payroll in 2017-18 and was approximately 11.72% of member payroll in 2016-17, 13.26% of member payroll in 2015-16, 17.53% of member payroll in 2014-15, 16.25% of member payroll in 2013-14, 11.84% of member payroll in 2012-13, 11.1% of member payroll in 2011-12, 8.62% in 2010-11 and 6.19% in 2009-10.

The increases in contribution rates from 2009-10 to 2014-15 reflected the impact of cumulative market losses on plan investments spread over a rolling five-year period. The declines in ARCs in 2015-16, 2016-17 and 2017-18 for ERS and TRS reflected the incorporation of positive market returns over a rolling five-year period.

The District's contributions made to the Systems prior to 2013-14 were equal to 100% of the contributions required for each year. In Spring 2013, the governing entities for ERS and TRS approved a Stable Contribution Option ("2013 SCO") that gave districts the ability to better manage the spikes in ARCs. Each plan allows districts to pay the ARC amount or to opt into the 2013 SCO. The ERS 2013 SCO was 12.4% in 2014-15, 12.9% in 2015-16 and 13.4% in 2016-17. The ERS 2013 SCO was 13.9% in 2017-18.

Under the ERS 2013 SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, election to opt into the plan is permanent. However, the District can choose not to defer payment in any given year. The TRS 2013 SCO is a 7-year deferral plan. Payment of the 2014-15 deferred amount was scheduled to commence in year 7 of the program (2019-20) and continue for five years. The District can opt out of the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five years. Prepayments in both 2013 SCOs are at the option of the District. In both plans, interest is based on comparable duration U.S. Treasury securities, plus 1%.

The District opted into both 2013 SCO plans for 2013-14, and deferred payments of $1.088 million, net of amortizations and timing differences. The 2014-15 budget included a $621,438 provision to meet future payments on the deferred amounts. Using this appropriation, and other excess funds, the District was able to repay in 2015-16 the balance due for amounts deferred in 2013-14 under the TRS and ERS 2013 SCOs. This represented an accelerated repayment by the District.

The District opted into both plans for 2014-15 and deferred payments of $1.654 million, net of amortizations, prepayments and timing differences.

The District opted into the ERS 2013 SCO in 2015-16, and deferred $261,777, net of amortizations and timing differences. The total amount deferred under the ERS 2013 SCO at June 30, 2016 was $715,876, which reflected the net remaining balances deferred in 2014-15 and 2015-16. The District participated in the ERS 2013 SCO in 2016-17 and 2017-18 because the 2016-17 and 2017-18 ERS 2013 SCO of 13.4% and 13.9% were below the ERS ARC of 15.18% and 14.93%, respectively. The total amount deferred was $121,091 and $76,075, respectively. The 2018-19 budgeted rate is 14.61% and the 2013 SCO rate is 14.40%. The District will continue to annually evaluate its deferral options under the ERS 2013 SCO.

The 2015-16 ARC of 13.26% was below the TRS 2013 SCO rate of 14.13% and, as a result, the District elected not to participate in the TRS 2013 SCO for 2015-16. In addition, the District determined to repay in 2015-16 the remaining deferred balance of $1.164 million due under the TRS 2013 SCO for 2014-15. This represented an accelerated repayment by the District and completes the repayment in full of all amounts deferred in 2013-14 and 2014-15 pursuant to the TRS 2013 SCO and no further sums are owed under the TRS 2013 SCO. The 2016-17, 2017-18 and 2018-19 budgets reflect TRS pension expense at the TRS ARCs of 11.72%, 9.80% and 10.63%, respectively.

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. 45 ("GASB 45") 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 45 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 45 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.

Under GASB 45, 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 45 does not require that the unfunded liabilities actually be funded, only that the District account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation will be required every 2 years for the District.

The District is in compliance with the requirements of GASB 45. The District has determined that its actuarial accrued liability ("AAL") for OPEB as of July 1, 2016 was $127,595,961. For the year ended June 30, 2017, the District's ARC was $11,995,513.

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. At the present time, however, there is no current or planned requirement for the District to partially fund its actuarial accrued OPEB liability. 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.

Legislation has been introduced from time to time to create an optional investment pool to help the State and local governments fund retiree health insurance and other post employment benefits. The proposed legislation would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, 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, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The District cannot predict whether any such proposed legislation will be enacted into law in the foreseeable future.

Investment Policy Permitted Investments

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the District is generally permitted to deposit moneys in banks and trust company 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 bonds issued by the District; (5) certificates of participation issued 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 instruments and 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 instruments and investments 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 in Section 10 of the GML.

The Board of Education had 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.

FINANCIAL FACTORS

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A Statement of Revenues and Expenditures for the five-year period ending June 30, 2017 is contained in Appendix B. As reflected in Appendix B, the District derives the bulk of its annual revenues from a tax on real property. Capital improvements are generally financed by the issuance of bonds, bond anticipation notes and the use of funds reserved for capital improvements.

Real Property Taxes

The District derives the major portion of its revenues from a tax on real property (See *"Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund"* in Appendix B, herein). Chapter 97 of the Laws of 2011, as amended, imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. (See *"The Tax Levy Limit Law"* herein). Property taxes accounted for 86.9% of total General Fund revenues for the fiscal year ended June 30, 2017, while State aid accounted for 5.8%.

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The following table sets forth total general fund revenues and real property tax revenues during the last five fiscal years, and the amounts budgeted for the current and upcoming fiscal years.

Property Taxes

Fiscal Year	Total Revenues[1]	Real Property Taxes[1]	Real Property Taxes to Revenues
2013	$ 85,166,797	$75,266,502	88.4%
2014	86,728,334	76,784,281	88.5
2015	88,774,450	78,434,310	88.4
2016	90,530,140	78,875,216	87.1
2017	92,026,270	79,992,558	86.9
2018 (Approved Budget)	93,890,748	83,908,381	89.4
2019 (Approved Budget)	96,369,935	86,421,243	89.7

(1) General Fund, inclusive of debt service payments received from the Manhasset Public Library.

Source: Audited Financial Statements and Approved Budgets of the District. See also "*Budgetary Procedure*" herein. Summary itself is not audited.

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 total general fund revenues and State aid revenues during the last five fiscal years, and the amounts budgeted for the current and upcoming fiscal years.

State Aid

Fiscal Year	Total Revenues[1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2013	$85,166,797	$4,746,044	5.6%
2014	86,728,334	4,537,843	5.2
2015	88,774,450	4,923,943	5.5
2016	90,530,140	4,959,731	5.5
2017	92,026,270	5,349,602	5.8
2018 (Approved Budget)	93,890,748	5,196,871	5.5
2019 (Approved Budget)	96,369,935	5,073,243	5.3

(1) General Fund, inclusive of debt service payments received from the Manhasset Public Library.

Source: Audited Financial Statements and Approved Budgets of the District. See also "*Budgetary Procedure*" herein. Summary itself is not audited.

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. During the 2012 to 2018 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the

State's 2010 fiscal year, 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 the adoption of the State budget. Although the State's 2018-2019 Budget was adopted on March 30, 2018, in advance of the April 1 deadline, the State's 2017-2018 Budget was adopted on April 9, 2017, a delay of approximately 8 days. 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, 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 the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy.

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2018-2019 Budget continues authorization for a process by which the State would manage significant reductions in federal aid during fiscal year 2018-2019 and fiscal year 2019-2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by $850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by $850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (H.R. 1, P.L. 115-97), making major changes to the Federal Internal Revenue Code, most of which are effective in the 2018 tax year. The new federal tax law makes extensive changes to federal personal income taxes, corporate income taxes, and estate taxes, and the deductibility of various taxes and interest costs. The State's income tax system interacts with the federal system in numerous ways. The federal changes are expected to have significant flow-through effects on State tax burdens and revenues. The State's 2018-2019 Enacted Budget includes legislation decoupling certain linkages between federal and local income tax and corporate taxes, increasing the opportunities for charitable contributions, and providing an option to employers to shift to an employer compensation tax and reduce State personal income taxes. In addition, the State's 2018-2019 Enacted Budget includes legislation that grants localities the option to establish local charitable funds that would provide taxpayers with a credit against their property taxes.

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.

Litigation regarding apportionment of State aid. In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity ("CFE") v. State of 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 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 enacted in the wake of the decision in *Campaign for Fiscal Equity ("CFE") v. State of New York*, included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid into one classroom operating formula referred to as foundation aid. Foundation aid prioritizes funding distribution based upon student need.

Litigation is continuing however as a statewide lawsuit entitled *NYSER v. State of New York* has been filed recently on behalf of the State's public school students. The lawsuit asserts that the State has failed to comply with the decision of the New York State Court of Appeals in *CFE v. State of New York*. The complaint asks the court for an order requiring the State to immediately discontinue the cap on State aid increases and the supermajority requirements regarding increases in local property tax levies. The complaint also asks the court to order the State to develop a new methodology for determining the actual costs of providing all students the opportunity for a sound basic education, revise the State funding formulas to ensure that all schools receive sufficient resources, and ensure a system of accountability that measures whether every school has sufficient resources and that all students are, in fact, receiving the opportunity to obtain a sound basic education. On June 27, 2017, the Court of Appeals ruled that NYSER's claims that students in New York City and Syracuse are being denied the opportunity for a sound basic education could go to trial and that NYSER could rely upon the CFE decision in its arguments. It is not possible to predict the outcome of this litigation.

Events Affecting 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.

School district fiscal year (2014-2015): The State Legislature adopted the State budget on March 31, 2014. The budget included an increase of $1.1 billion in State aid for school districts.

School district fiscal year (2015-2016): The State Legislature adopted the State budget on March 31, 2015. The budget included an increase of $1.4 billion in State aid for school districts that was tied to changes in the teacher evaluation and tenure process.

School district fiscal year (2016-2017): The State Legislature adopted the State budget on March 31, 2016. The budget included an increase of $991 million in State aid for school districts over the State's 2015-16 Enacted Budget, $863 million of which consisted of traditional operating aid. In addition to the $408 million of expense based aid, the State's 2016-17 Enacted Budget included a $266 million increase in Foundation Aid and a $189 million restoration to the Gap Elimination Adjustment. The majority of the remaining increase related to ($100 million) Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

School district fiscal year (2017-2018): The State's 2017-18 Enacted Budget provided for school aid of approximately $25.8 billion, an increase of $1.1 billion in school aid spending from the State's 2016-17 Enacted Budget. 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 was the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 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 (2018-2019): The State's 2018-2019 Enacted Budget provides 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 have been 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 Enacted Budget continues to link school aid increases for 2018-2019 and 2019-2020 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

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 "*Market Factors Affecting Financing of the State and School Districts of the State*" herein).

Gap Elimination Aid: The State provides annual State aid to school districts in the State, including the District, on the basis of various formulas. Due to the State's own budgetary crisis in 2009 and to assist the State in mitigating the impacts of its own revenue shortfall, the State reduced the allocation of State aid to school districts as part of a program known as the Gap Elimination Adjustment ("GEA"). The GEA was a negative number (funds that were deducted from the State aid originally due to the District under existing State aid formulas). The District's State aid was reduced as a result of the GEA program starting in 2009. Subsequent State budgets decreased the amount of the GEA deduction and the State's 2016-2017 Enacted Budget included the elimination of the remaining balance of the GEA.

The Smart Schools Bond Act (the "SSBA") was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of $2 billion of general obligation bonds to financed improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The SSBA requires that a Review Board review and approve districts' Smart Schools Investment Plan before any funds may be made available for the program.

Other Revenues

In addition to property taxes and State aid, the District receives other revenues from miscellaneous sources as shown in Appendix B.

Independent Audits

Appendix B to the Official Statement presents excerpts from the District's most recent audited reports covering the last five fiscal years. In addition, the District is subject to periodic audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

Cash Flow Projections

The cash flow summaries of the District for the 2017-2018 and 2018-2019 fiscal years, including tax anticipation borrowings and repayment thereof, are set forth in Appendix B. Such cash flow statements, with respect to future receipts and payments, are estimates only and no representation whatsoever is made that any such estimates will be realized.

The State Comptroller's Fiscal Stress Monitoring System and 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 ("OSC") has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district 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 district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State

Comptroller. 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 the State Comptroller designates the District as “No Designation.”

The financial affairs of the District are subject to periodic compliance reviews by OSC to ascertain whether the District has complied with the requirements of various State and federal statutes. The most recent audit, dated July 22, 2016, found that the Board should improve its internal controls over separations payments to ensure that payments are accurately calculated. The complete report and District’s response can be obtained from OSC’s 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.

TAX INFORMATION

Real Property Tax Assessments and Rates

The following table sets forth the assessed and full valuation of taxable real property, the District’s real property tax levy, including taxes levied for library purposes, and rates of tax per $1,000 assessed valuation for the last five fiscal years.

Real Property Tax Assessments and Rates
(Fiscal Years Ending June 30:)

	2014	2015	2016	2017	2018
Assessed Valuation	$19,528,128	$19,228,630	$18,722,621	$17,812,205	$17,950,890
Equalization Rate	0.32%	0.31%	0.28%	0.27%	0.25%
Full Valuation	6,102,540,000	6,202,783,871	6,686,650,357	6,597,112,963	7,180,356,000
Tax Levy (1)	84,222,793	85,778,036	86,327,992	87,375,294	89,094,873
Tax Rate Per $1,000	4,312.90	4,460.95	4,610.89	4,905.36	4,963.26

(1) Includes taxes assessed on behalf of the Manhasset Public Library.

Source: New York State Office of Real Property Services and District Officials.

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. (See, however, “*Tax Levy Limit Law*” herein).

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, including 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 $65,300 for the 2016-17 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 includes 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.

Approximately 2.53% of the District's 2017-2018 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 2.46% of the District's 2018-2019 school tax levy (after adjustment for the LIPA PILOTs as discussed herein) 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 2019. (See *"State Aid"* herein).

Tax Collection Procedure

In Nassau County, property taxes for the school districts are levied by the County, and are collected by the town tax receivers. Such taxes are due and payable in equal installments on October 1 and April 1, but may be paid without penalty by November 10 and May 10, respectively. The Town Tax Receiver pays to each school district the amounts collected therefor in each month from October to June. Penalties on unpaid taxes are 1% per month from the date such taxes are due and payable. A 1% discount for prepayment of second half taxes is given if received by November 10. Any such discount is a Town charge.

On or before June 1, the Town Tax Receiver files a report of any uncollected school district taxes with the County. The County thereafter pays to each school district the amount of its uncollected taxes. Thus, each school district should receive its full levy prior to the end of its fiscal year. However, in some recent years, the District has experienced delays in its receipt of uncollected school district taxes from the County. In such years, the District received its payments in July and August, the first months of its subsequent fiscal year. (See *"Tax Collection Record"* herein.)

Under existing law, the County assumes liability for all tax certiorari refund payments, including any portion of the refund attributable to the reduction in the amount of taxes raised to support District operations.

Real Property Tax Rebate

Chapter 59 of the New York Laws of 2014 ("Chapter 59") included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts in 2014 and 2015 and certain municipal units of government in 2015 and 2016. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction's compliance with the provisions of the Tax Levy Limit Law. For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a State approved "government efficiency plan" which demonstrated three-year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies.

Chapter 20 of the New York Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 will vary based on a taxpayer's personal income level and STAR tax savings. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limit Law. Unlike Chapter 59, however, for taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limit Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limit Law. In either scenario, the relevant jurisdiction (independent school district or joint city/school district) must certify its compliance with the provisions of the Tax Levy Limit Law. While the provisions of Chapter 59 did not, and the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, Chapter 59 did, and Chapter 20 does, provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limit Law.

Tax Collection Record

Tax Collection

Fiscal Year (ended June 30):	Gross Levy[1]	Amount Uncollected at End of Year	Amount Reported Unpaid to County[2]
2014	$84,222,793	$1,112,971	$1,112,971[3]
2015	85,778,036	1,056,242	1,056,242[4]
2016	83,906,131	1,247,740	1,247,740[5]
2017	85,119,364	1,023,496	1,023,496[6]
2018	86,983,253	1,229,982	1,229,982[7]

(1) Includes library tax.
(2) See "*Tax Collection Procedure*" herein.
(3) The County paid the District $1,112,971 on August 8, 2014 and it did not include any tax certioraris.
(4) The County paid the District $1,056,242 which includes $2,592 for tax certioraris, on July 1, 2015.
(5) The County paid the District $1,247,740 which includes $297 for tax certioraris, on August 1, 2016.
(6) The County paid the District $1,023,496 on August 16, 2017.
(7) The County paid the District $1,229,982 on August 21, 2018.

Source: District Officials.

Ten of the Largest Taxpayers

The following table presents the taxable assessments of ten of the District's largest taxpayers for the 2017-2018 fiscal year.

Taxable Assessments

Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Value
Fifth Avenue of LI Realty Assoc.	Real Estate	$ 933,928	5.20%
One Thousand Northern of NY Co. LLC	Office Building	336,850	1.88
KMO-361 Realty Assoc.	Real Estate	307,203	1.71
Federated Department Stores Inc.	Retail	251,855	1.40
Manhasset Ventury, LLC	Real Estate	228,969	1.28
The 1010 Company	Office Building	226,819	1.26
Keyspan Gas East	Utility	211,952	1.18
Centre Manhasset LLC	Commercial	170,914	0.95
KIR Munsey Park 020 LLC	Real Estate	163,328	0.91
Verion New York Inc.	Utility	86,322	0.48
	Totals:	$3,658,857	16.26%

(1) The District's total assessed valuation for the 2017-2018 fiscal year was $17,950,890.

DISTRICT INDEBTEDNESS

Constitutional Requirements

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

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 the weighted average maturity of the several objects or purposes 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. The amount of such increases is limited by the formulas set forth in such law, with the amount of such 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. (See *"The Tax Levy Limit Law"* herein).

Statutory Procedure

In general, the State Legislature has, by enactment of the Local Finance Law, authorized the power and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional and 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 principal 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 Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The District has complied with such procedure with respect to the Bonds.

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 Bonds and the Notes. However, such finance board may delegate the power to sell its notes and bonds 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 District purpose authorized by the Legislature of the State of New York provided the aggregate amount thereof shall not exceed ten per centum of the full valuation of taxable real estate of the District and subject to certain enumerated exclusions and deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of 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 ration is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined by such authority.

Statutory Debt Limit and Net Indebtedness

The debt limit of the District is $718,035,600, as of September 7, 2018. This is calculated by taking 10% of the current full value of the taxable real property of the District.

Statutory Debt Limit and Net Indebtedness

Full Valuation of Taxable Real Property		$7,180,356,000
Debt Limit (10% of Full Valuation)		718,035,600
Outstanding Indebtedness[1] (Principal Only):		
Bonds[2]	$33,300,000	
Bond Anticipation Notes	0	
Gross Indebtedness		33,300,000
Less: Exclusions		0
Total Net Indebtedness		$ 33,300,000
Net Debt-Contracting Margin		$ 684,735,300
Percentage of Debt-Contracting Margin Exhausted		5.97%

(1) Tax anticipation notes, revenue anticipation notes and energy performance contracts are not included in the computation of the statutory debt limit of the District. (See *"Revenue Anticipation Notes," "Tax Anticipation Notes" and "Energy Performance Contract"* herein).
(2) A portion of the District's outstanding bonded indebtedness in the amount of $10,225,000 was issued to fund the construction of a new library in the District. The District levies taxes on behalf of the Manhasset Public Library to pay debt service on the bonds issued on behalf of the library.

Source: District Officials.

Tax Anticipation Notes

In common with other school districts in the State, the District finds it necessary to borrow in anticipation of the receipt of its tax levy. In the past, the District has paid all notes on their due date. The following is a history of the District's tax anticipation note borrowing during the last five fiscal years.

Tax Anticipation Notes

Fiscal Year ended June 30:	Amount	Issue Date	Maturity Date
2014	$12,500,000	08/15/13	06/20/14
2015	10,500,000	08/21/14	06/19/15
2016	7,250,000	09/25/15	06/21/16
2017	7,600,000	09/28/16	06/22/17
2018	7,500,000	09/28/17	06/29/18

Source: District Officials.

Revenue Anticipation Notes

The District has not found it necessary to issue revenue anticipation notes in recent years.

Bond Anticipation Notes

The District currently has no outstanding bond anticipation notes.

Trend of Capital Indebtedness

The following table sets forth the amount of direct capital indebtedness outstanding for each of the last five fiscal years as of June 30 of each respective year.

Direct Capital Indebtedness Outstanding[1]

	2014	2015	2016	2017	2018[2]
Bonds	$23,100,000	$21,075,000	$26,260,000	$35,730,000	$33,300,000
Bond Anticipation Notes	0	0	0	0	0
Totals:	$23,100,000	$21,075,000	$26,260,000	$35,730,000	$33,300,000

(1) Exclusive of Energy Performance Contract obligations of the District. (See *"Energy Performance Contract"* herein).
(2) Unaudited.

Source: Audited Financial Statements of the District and District Officials. Summary itself is not audited.

Overlapping and Underlying Debt

In addition to the District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The real property taxpayers of the District are responsible for a proportionate share of outstanding debt obligations of these subdivisions. Such taxpayers' share of overlapping and underlying debt is based on the amount of the District's equalized property values taken as a percentage of each separate unit's total values. The following table presents the amount of overlapping and underlying debt and the District's share of this debt. Authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness

Issuer	Net Debt Outstanding	As of:	District Share	Amount Applicable To District
Nassau County	$3,253,964,000	03/31/18	2.7%	$ 87,857,028
North Hempstead Town	274,109,189	09/04/18	10.8	29,603,792
Various Villages [1]	3,680,000	05/31/17	Varied	3,680,000
Manhasset-Lakeville Fire District	245,000	12/31/16	55.0	134,750
Total Net Overlapping Debt				$121,275,570
Total Net Direct Debt [2]				33,300,000
Net Direct and Overlapping Debt				$154,575,570

(1) The Villages include: Flower Hill, Munsey Park, North Hills, Plandome, Plandome Heights and Plandome Manor.

Source: Data provided by County, Town and Village officials.

Debt Ratios

The following table presents certain debt ratios relating to the District's direct and overlapping indebtedness.

Debt Ratios

	Amount	Debt Per Capita[1]	Debt to Full Value[2]
Net Direct Debt	$ 33,300,000	$ 2,059	0.46%
Net Direct and Overlapping Debt	154,575,570	9,560	2.15

(1) The population of the District is estimated by the U.S. Census Bureau to be approximately 16,169.
(2) The District's full value of taxable real property for the 2017-2018 fiscal year is $7,180,356,000.

Authorized and Unissued Indebtedness

On February 5, 2015, a bond resolution was duly adopted by the Board of Education following the approval of a proposition by the voters of the District at a Special District Election duly called and held on December 3, 2014, authorizing the issuance of $19,959,870 serial bonds for the construction of improvements and alterations to all District school buildings and the sites thereof. The District has $643,194 remaining authorized and unissued pursuant to this resolution. The Bonds are being issued pursuant to this authorization.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the District's outstanding bonded indebtedness for fiscal years ending June 30, exclusive of the Bonds and refunded bonds.

Bond Principal and Interest Maturity Table[1]

Fiscal Year Ending June 30:	Principal	Interest[2]	Total Debt Service	% of Principal Retired
2019[3]	$ 2,525,000	$ 1,025,637	$ 3,550,637	7.58%
2020	2,610,000	927,862	3,537,862	15.42
2021	2,720,000	834,303	3,554,303	23.59
2022	2,810,000	743,950	3,553,950	32.03
2023	2,905,000	648,331	3,553,331	40.75
2024	1,780,000	545,581	2,325,581	46.10
2025	1,825,000	497,506	2,322,506	51.58
2026	1,880,000	448,181	2,328,181	57.22
2027	1,925,000	396,775	2,321,775	63.00
2028	1,985,000	342,331	2,327,331	68.96
2029	2,035,000	285,331	2,320,331	75.08
2030	985,000	244,088	1,229,088	78.03
2031	1,010,000	217,756	1,227,756	81.07
2032	1,045,000	190,269	1,235,269	84.20
2033	1,080,000	158,475	1,238,475	87.45
2034	1,110,000	125,256	1,235,256	90.78
2035	1,145,000	90,663	1,235,663	94.22
2036	1,180,000	54,672	1,234,672	97.76
2037	745,000	17,413	762,413	100.00
Totals:	$ 33,300,000	$ 7,794,380	$ 41,094,380	

(1) See also "*Energy Performance Contract*" herein.
(2) Amounts are rounded.
(3) For the entire fiscal year.

Source: Audited Financial Statements of the District and District Officials. Summary itself is not audited.

Energy Performance Contract

The following table shows the debt service requirements to maturity on the District's outstanding energy performance contract.

Energy Performance Contract
Principal and Interest Maturity Table

Fiscal Year Ending June 30	Principal	Interest	Total
2019	$ 246,174	$ 29,480	$ 275,654
2020	251,065	24,589	275,654
2021	256,053	19,601	275,654
2022	261,141	14,513	275,654
2023	266,329	9,325	275,654
2024	271,620	4,034	275,654
Totals:	$1,552,382	$101,542	$1,653,924

(1) For the entire fiscal year.

Source: Audited Financial Statements of the District. Summary itself is not audited.

Operating Leases

The following table shows the minimum annual payments on the District's operating leases for various equipment.

Operating Leases
Payment Table

Fiscal Year Ending June 30	Annual Payments
2019	$ 182,702.88
2020	182,702.88
2021	182,702.88
2022	182,702.88
2023	182,702.88
Totals:	$ 913,514.40

(1) For the entire fiscal year.

Source: District Officials.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends for the District, Town, County and State, based upon census data.

Population Trend

	2000	2010	2015	Percentage Change 2010/2015
District	16,018	16,169	15,698	2.91%
Town	222,611	226,322	229,105	-1.23
County	1,334,544	1,339,532	1,354,612	-1.13
State	18,976,457	19,378,102	19,673,174	-1.52

Sources: U.S. Census Bureau.

Income

The following table presents median family income for the Town, County and State. Data provided for the Town, County and State are not necessarily representative of the District.

Median Family Income

	2000	2010	Percentage Change 2000/2010
Town	$94,156	$95,221	1.1%
County	79,926	91,104	14.0
State	52,280	54,148	3.6

Source: U.S. Census Bureau.

Employment and Unemployment

The following tables provide information concerning employment and unemployment in the Town, County and State. Data provided for the Town, County and State are not necessarily representative of the District.

Civilian Labor Force

	2013	2014	2015	2016	2017
Town	111,800	110,600	113,000	113,800	114,300
County	697,100	688,800	701,600	704,600	708,000
State	9,659,200	9,591,300	9,644,600	9,668,700	9,704,700

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

Unemployment rates are not compiled for the District, but are available for the Town, County and State. Data provided in the following table is not necessarily representative of the District.

Yearly Average Unemployment Rates

Year	Town	County	State
2013	5.4%	5.9%	7.7%
2014	4.4	4.8	6.3
2015	3.9	4.2	5.3
2016	3.6	3.9	4.8
2017	3.8	4.1	4.7

Source: New York State Department Labor, Bureau of Labor Statistics

Monthly Unemployment Rates

Month	Town	County	State
August 2017	4.0%	4.4%	4.9%
September	4.0	4.2	4.6
October	3.7	4.1	4.4
November	3.8	4.1	4.4
December	3.6	4.0	4.4
January 2018	4.2	4.5	5.1
February	4.5	4.7	5.1
March	4.0	4.2	4.8
April	3.6	3.8	4.3
May	3.2	3.4	3.7
June	3.5	3.7	4.2
July	3.4	3.7	4.2

Source: New York State Department of Labor statistics. Information not seasonally adjusted.

End of Appendix A

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APPENDIX B*

FINANCIAL STATEMENT SUMMARIES

AND

CASH FLOW STATEMENTS

*** Appendix B is not audited.**

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MANHASSET UNION FREE SCHOOL DISTRICT

Statement of Budgeted Revenues and Expenditures - General Fund

Fiscal Year Ending June 30:

	Approved Budget 2017-2018[1]	Approved Budget 2018-2019[2]
Revenues:		
Real Property Taxes, including STAR[3]	$ 83,908,381	$ 86,421,243
Other Tax Items, primarily LIPA PILOTs[3]	1,558,360	1,729,035
State Aid	5,196,871	5,073,243
Total Other Revenue	1,557,572	1,471,175
Transfer from Library for Debt Service	1,074,444	1,080,119
Assigned Fund Balance	595,120	595,120
Total Revenues	$93,890,748	$96,369,935
Expenditures:		
General Support	$ 8,530,533	$ 8,787,617
Instruction	54,130,243	54,570,920
Transportation	4,915,503	5,064,287
Community Services	-	-
Employee Benefits	22,063,862	23,692,022
Transfers	4,200,607	4,200,089
Debt Service - TAN	50,000	55,000
Total Expenditures	$ 93,890,748	$ 96,369,935

(1) The budget for the 2017-2018 fiscal year was approved by the voters of the District on May 16, 2017.

(2) The budget for the 2018-2019 fiscal year was approved by the voters of the District on May 15, 2018.

(3) Exclusive of Library Tax Levy and after the reclassification of the LIPA PILOTs as discussed herein.

Source: Approved Budgets of the District.

MANHASSET UNION FREE SCHOOL DISTRICT
Comparative Balance Sheet - General Fund
Fiscal Years Ended June 30:

	2016	2017
Assets:		
Unrestricted Cash	$7,693,074	$7,353,116
Restricted Cash	2,706,053	4,051,843
Taxes Receivable	2,102,658	1,881,707
Due From Other Governments	1,148,148	1,194,241
Due From Other Funds	1,103,688	1,062,977
Due From Fiduciary Funds	65,731	12,474
Accounts Receivable	61,114	72,533
State and Federal Aid Receivable	386,304	449,203
Total Assets	$15,266,770	$16,078,094
Liabilities and Fund Equity		
Accounts Payable	$472,206	$673,715
Accrued Liabilities	1,100,729	582,745
Due to Other Governments	38,127	93,545
Due to Other Funds	50,869	1,196
Due to Retirement Systems	6,088,537	5,512,293
Compensated Absences	234,929	226,409
Total Liabilities	$7,985,397	$7,089,903
Fund Balance:		
Non Spendable	$0	$0
Restricted	2,706,053	4,051,843
Assigned	894,967	1,180,718
Unassigned	3,680,353	3,755,630
Total Fund Equity	7,281,373	8,988,191
Total Liabilities and Fund Equity	$15,266,770	$16,078,094

Source: Audited Financial Statements of the District. Summary itself is not audited.

MANHASSET UNION FREE SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Year Ended June 30:

	2013	2014	2015	2016	2017
OPENING FUND BALANCE	$8,383,204	$5,454,301	$7,137,042	$7,256,845	$7,281,373
REVENUES:					
Real Property Taxes	$75,266,502	$76,784,281	$78,434,310	$78,875,216	$79,992,558
Other Tax Items, primarily STAR	2,619,841	2,635,879	2,444,595	4,036,987	3,830,670
Charges for Services	1,016,989	1,288,541	1,366,576	1,180,407	1,293,723
Use of Money and Property	80,701	68,021	65,663	68,421	73,097
Sale of Property and Compensation for Loss	115,814	79,046	47,578	79,018	36,554
Miscellaneous	135,588	200,475	364,962	191,342	322,945
Interfund Revenues	1,051,969	1,053,444	1,058,169	1,063,269	1,072,269
State Sources	4,746,044	4,537,843	4,923,943	4,959,731	5,349,602
Medicaid Reimbursement	30,273	29,150	15,367	22,462	11,411
Federal Sources	103,076	51,654	53,287	53,287	43,441
Total Revenues	$85,166,797	$86,728,334	$88,774,450	$90,530,140	$92,026,270
Balance and Revenues	93,550,001	92,182,635	95,911,492	97,786,985	99,307,643
Employee Benefits					
General Support	$8,369,275	$8,297,509	$8,116,024	$8,137,249	$8,510,459
Instruction	49,699,962	49,058,293	49,911,852	51,971,056	52,441,427
Pupil Transportation	4,138,925	3,945,111	4,152,960	4,144,197	4,635,453
Employee Benefits	19,195,381	19,371,795	21,297,966	22,143,790	21,271,538
Debt Service	24,613	20,278	10,582	29,747	56,516
Total Expenditures	$81,428,156	$80,692,986	$83,489,384	$86,426,039	$86,915,393
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	$0	$0	$51,872	$0	$0
Operating Transfers (Out)	(6,003,511)	(4,352,607)	(5,217,135)	(4,079,573)	(3,404,059)
Total Other Financing Sources (Uses)	(6,003,511)	(4,352,607)	(5,165,263)	(4,079,573)	(3,404,059)
Balance before adjustments	$6,118,334	$7,137,042	$7,256,845	$7,281,373	$8,988,191
Changes in Reserves	(664,033)	0	0	0	0
CLOSING FUND BALANCE	$5,454,301	$7,137,042	$7,256,845	$7,281,373	$8,988,191

Source: Audited Financial Statements of the District. Summary itself is not audited.

Manhasset Union Free School District
Actual Cash Flow - Fiscal Year 2017-18

MONTH	JULY	AUG	SEPT	OCT 1-25	OCT 26-31	NOV	DEC	JAN	FEB	MAR	APRIL	MAY	JUNE	TOTAL
BALANCE (Beginning) (1)	$ 11,404,959	$ 9,006,262	$ 6,747,183	$ 7,396,382	$ 2,676,864	$ 7,409,257	$ 26,165,750	$ 29,235,732	$ 32,590,448	$ 26,161,987	$ 19,186,608	$ 19,762,470	$ 26,759,827	$ 11,404,959
RECEIPTS:														
Property Taxes (2)	$ -	$ 1,023,496	$ -	$ -	$ 8,000,000	$ 29,000,000	$ 11,275,264	$ 9,150,000	$ -	$ -	$ 8,000,000	$ 18,680,286	$ 1,647,720	$ 86,776,766
PILOTs	858,211	-	-	-	-	-	-	686,281	28,694	-	-	-	-	1,573,186
Star Aid	-	-	-	-	-	-	-	2,125,412	-	-	-	-	-	2,125,412
Federal & State Aid	7,643	281,967	2,009,974	29,090	354,717	26,737	1,228,609	23,368	314,864	1,806,530	9,629	62,790	435,160	6,591,078
Other Receipts	408,690	36,405	931,893	319,613	76,778	124,432	70,629	313,816	230,078	318,362	148,147	1,837,317	212,163	5,028,323
Note Proceeds - TANS	-	-	7,557,077	-	-	-	-	-	-	-	-	-	-	7,557,077
Total Receipts	$ 1,274,544	$ 1,341,868	$ 10,498,944	$ 348,703	$ 8,431,495	$ 29,151,169	$ 12,574,502	$ 12,298,877	$ 573,636	$ 2,124,892	$ 8,157,776	$ 20,580,393	$ 2,295,043	$ 109,651,842
Total Receips+Balance	12,679,503	10,348,130	17,246,127	7,745,085	11,108,359	36,560,426	38,740,252	41,534,609	33,164,084	28,286,879	27,344,384	40,342,863	29,054,870	121,056,801
DISBURSEMENTS:														
Salary & Benefits	$ 2,278,009	$ 2,238,306	$ 7,292,809	$ 2,853,151	$ 2,853,151	$ 8,497,886	$ 6,475,144	$ 6,354,950	$ 5,165,802	$ 6,412,001	$ 5,459,121	$ 4,925,240	$ 12,393,519	$ 73,199,089
Operating Expenses	823,275	817,734	805,695	1,782,863	745,951	1,382,699	1,911,301	1,677,254	697,840	2,000,654	1,293,702	2,373,309	2,411,196	18,723,473
Debt Service	139,750	12,700	919,034	-	-	81,884	485,868	479,750	647,700	155,409	396,884	-	593,379	3,912,358
Transfers	-	100,000	400,000	-	100,000	-	200,000	-	58,548	100,000	-	-	125,000	1,083,548
TAN Principal Payment	-	-	-	-	-	-	-	-	-	-	-	5,852,280	1,647,720	7,500,000
TAN Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	112,917	112,917
Library Payments	432,207	432,207	432,207	432,207	-	432,207	432,207	432,207	432,207	432,207	432,207	432,207	432,215	5,186,492
Total Disbursements	$ 3,673,241	$ 3,600,947	$ 9,849,745	$ 5,068,221	$ 3,699,102	$ 10,394,676	$ 9,504,520	$ 8,944,161	$ 7,002,097	$ 9,100,271	$ 7,581,914	$ 13,583,036	$ 17,715,946	$ 109,717,877
Balance (ending)	$ 9,006,262	$ 6,747,183	$ 7,396,382	$ 2,676,864	$ 7,409,257	$ 26,165,750	$ 29,235,732	$ 32,590,448	$ 26,161,987	$ 19,186,608	$ 19,762,470	$ 26,759,827	$ 11,338,924	$ 11,338,924
NOTE PAYMENT ACCOUNT (3)														
Balance (Beginning)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$5,852,280	$0
Receipts	0	0	0	0	0	0	0	0	0	0	0	5,852,280	1,647,720	7,500,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	0	7,500,000	7,500,000
Balance (Ending)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$5,852,280	$0	$0

(1) Balance as of June 30, 2017. Inclusive of all General Fund Reserves, including Restricted Reserves.
(2) Inclusive of Library Taxes and $1,023,496 of prior year's taxes received in August 2017.
(3) Note Payment Account transactions reflect amounts set aside to pay the principal of Bond and tax anticipation notes due in 2017-2018 at their maturity. Interest on such notes is not reflected in the Note Payment Account, but is recorded as a Note Interest Payment Disbursement in the schedule above.

Manhasset Union Free School District
Projected Cash Flow - Fiscal Year 2018-19

MONTH	JULY	AUG	SEPT	OCT 1-25	OCT 26-31	NOV	DEC	JAN	FEB	MAR	APRIL	MAY	JUNE	TOTAL
BALANCE (Beginning) (1)	$ 11,338,924	$ 9,004,184	$ 6,412,103	$ 5,908,009	$ 224,929	$ 5,739,311	$ 25,064,557	$ 28,170,030	$ 30,968,339	$ 25,030,200	$ 17,835,975	$ 18,851,655	$ 27,931,552	$ 11,338,924
RECEIPTS:														
Property Taxes (2)	$ -	$ 1,229,982	$ -	$ -	$ 8,228,800	$ 29,829,400	$ 11,597,737	$ 9,411,690	$ -	$ -	$ 8,228,800	$ 19,214,542	$ 1,806,014	$ 89,546,965
PILOTs	1,012,002	-	-	-	-	-	-	686,281	28,694	-	-	-	-	1,726,977
Star Aid	-	-	-	-	-	-	-	2,125,412	-	-	-	-	-	2,125,412
Federal & State Aid	7,643	281,967	2,009,974	29,090	380,898	26,737	1,228,609	23,368	314,864	1,806,530	9,629	62,790	435,160	6,617,259
Other Receipts	408,690	36,405	953,268	319,613	76,778	124,432	70,629	313,816	230,078	318,362	148,147	1,837,317	212,163	5,049,698
Note Proceeds - TANS	-	-	6,000,000	-	-	-	-	-	-	-	-	-	-	6,000,000
Total Receipts	$ 1,428,335	$ 1,548,354	$ 8,963,242	$ 348,703	$ 8,686,476	$ 29,980,569	$ 12,896,975	$ 12,560,567	$ 573,636	$ 2,124,892	$ 8,386,576	$ 21,114,649	$ 2,453,337	$ 111,066,310
Total Receips+Balance	12,767,259	10,552,538	15,375,345	6,256,712	8,911,405	35,719,880	37,961,531	40,730,597	31,541,975	27,155,092	26,222,551	39,966,304	30,384,888	122,405,234
DISBURSEMENTS:														
Salary & Benefits	$ 2,341,565	$ 2,755,914	$ 7,041,119	$ 3,898,127	$ 1,949,063	$ 8,706,934	$ 6,634,433	$ 6,511,282	$ 5,292,881	$ 6,569,736	$ 5,593,415	$ 5,046,401	$ 12,678,294	$ 75,019,164
Operating Expenses	852,666	846,927	848,213	1,696,062	923,031	1,432,061	1,979,534	1,737,132	722,753	2,072,077	1,339,887	1,958,036	1,997,276	18,405,656
Debt Service	131,250	-	940,409	-	-	78,734	539,940	1,076,250	-	139,709	-	398,734	521,265	3,826,291
Transfers	-	100,000	200,000	-	300,000	-	200,000	-	58,548	100,000	-	-	125,000	1,083,548
TAN Principal Payment	-	-	-	-	-	-	-	-	-	-	-	4,193,986	1,806,014	6,000,000
TAN Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	81,000	81,000
Library Payments	437,594	437,594	437,594	437,594	-	437,594	437,594	437,594	437,594	437,594	437,594	437,594	437,600	5,251,134
Total Disbursements	$ 3,763,075	$ 4,140,435	$ 9,467,336	$ 6,031,783	$ 3,172,094	$ 10,655,323	$ 9,791,501	$ 9,762,258	$ 6,511,776	$ 9,319,117	$ 7,370,897	$ 12,034,751	$ 17,646,449	$ 109,666,794
Balance (ending)	$ 9,004,184	$ 6,412,103	$ 5,908,009	$ 224,929	$ 5,739,311	$ 25,064,557	$ 28,170,030	$ 30,968,339	$ 25,030,200	$ 17,835,975	$ 18,851,655	$ 27,931,552	$ 12,738,440	$ 12,738,440

NOTE PAYMENT ACCOUNT (3)														
Balance (Beginning)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4,193,986	$0
Receipts	0	0	0	0	0	0	0	0	0	0	0	4,193,986	1,806,014	6,000,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	0	6,000,000	6,000,000
Balance (Ending)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4,193,986	$0	$0

(1) Balance as of June 30, 2018. Inclusive of all General Fund Reserves, including Restricted Reserves.
(2) Inclusive of Library Taxes and $1,229,982 of prior year's taxes received in August 2018.
(3) Note Payment Account transactions reflect amounts set aside to pay the principal of Bond and tax anticipation notes due in 2018-2019 at their maturity. Interest on such notes is not reflected in the Note Payment Account, but is recorded as a Note Interest Payment Disbursement in the schedule above.

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APPENDIX C

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

CAN BE ACCESSED ON THE ELECTRONIC MUNICIPAL MARKET ACCESS ("EMMA") WEBSITE
OF THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB")
AT THE FOLLOWING LINK:

https://emma.msrb.org/ER1267389.pdf

The audited financial statements referenced above are hereby incorporated into this Official Statement.

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. R.S. Abrams & Co., LLP has not been requested by the District to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

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APPENDIX D

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL FOR THE BONDS

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Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street, 41st floor
New York, New York 10007

September 26, 2018

The Board of Education of
the Manhasset Union Free School District, in the
County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Manhasset Union Free School District (the "School District"), in the County of Nassau, New York, a school district of the State of New York, in connection with the authorization, sale, and issuance of the $643,194 School District Serial Bonds-2018 (the "Bonds"), dated and delivered on the date hereof.

We have examined a record of proceedings relating to the Bonds for purposes of this opinion. 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 Bonds are valid and legally binding general obligations 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 Bonds and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Bonds 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 Bonds 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 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018.

The Code establishes certain requirements that must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded 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 Bonds, restrictions on the investment of proceeds of the Bonds 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 Bonds to become subject to federal income taxation retroactive to their date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the School District will execute a Tax Certificate relating to the Bonds 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 Bonds 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 Bonds, 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 Bonds 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 Bonds, 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 Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Bonds 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 said Bonds.

Very truly yours,

APPENDIX E

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL FOR THE NOTES

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Form of Opinion of Bond Counsel

The Board of Education of
Manhasset Union Free School District,
in the County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Manhasset Union Free School District (the "School District"), in the County of Nassau, a school district of the State of New York in connection with the authorization, sale and issuance of the $6,000,000 Tax Anticipation Note for 2018-2019 Taxes (the "Note"), dated and delivered on the date hereof.

We have examined a record of proceedings relating to the Note for purposes of this opinion. 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; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed for taxable years beginning prior to January 1, 2018.

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 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 said Note.

Very truly yours,

APPENDIX F

FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS

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UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

"Annual Information" shall mean the information specified in Section 3 hereof.

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

"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 Manhasset Union Free School District, in the County of Nassau, 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, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

"Purchaser" shall mean the financial institution referred to in the Certificate of Award, executed by the President of the Board of Education as of September 18, 2018.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

"Securities" shall mean the Issuer's **$643,194 School District Serial Bonds-2018**, dated September 26, 2018, maturing in various principal amounts on June 15 in each of the years 2019 to 2030, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York to the EMMA System:

(i) no later than six (6) months following the end of each fiscal year, commencing with the fiscal year ending June 30, 2018, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information no later than six (6) months following the end of each fiscal year, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of 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; and

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

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(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 material event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the heading: "LITIGATION" and in Appendix A under the headings: "THE DISTRICT," "FINANCIAL FACTORS," "TAX INFORMATION," "DISTRICT INDEBTEDNESS," and "ECONOMIC AND DEMOGRAPHIC DATA"; and in Appendix B.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with New York State regulatory requirements or GAAP as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm.

Section 5. 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 6. 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 7. 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 modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(f) 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 7 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 8. 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 pursuant to 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.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. 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 10. 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 **September 26, 2018**.

MANHASSET UNION FREE SCHOOL DISTRICT

By____

President of the Board of Education
and Chief Fiscal Officer

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APPENDIX G

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS FOR THE NOTES

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UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. <u>Definitions</u>

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

"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 Manhasset Union Free School District, in the County of Nassau, 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 the date hereof.

"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 $6,000,000 Tax Anticipation Notes for 2018-2019 Taxes, dated September 26, 2018, maturing on June 25, 2019, and delivered on the date hereof.

Section 2. <u>Obligation to Provide Notices of Events</u>. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through **Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021** 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:

i. principal and interest payment delinquencies;

ii. non-payment related defaults, if material;

iii. unscheduled draws on debt service reserves reflecting financial difficulties;

iv. unscheduled draws on credit enhancements reflecting financial difficulties;

v. substitution of credit or liquidity providers, or their failure to perform;

vi. 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;

vii. modifications to rights of Securities holders, if material;

viii. Bond calls, if material, and tender offers;

ix. defeasances;

x. release, substitution, or sale of property securing repayment of the Securities, if material;

xi. rating changes;

xii. 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;

xiii. 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; and

xiv. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(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 **September 26, 2018.**

MANHASSET UNION FREE SCHOOL DISTRICT

By____

President of the Board of Education