PRELIMINARY OFFICIAL STATEMENT DATED APRIL 30, 2018

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, (i) interest on the Notes is included in gross income for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

PEARL RIVER UNION FREE SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK

$3,400,000
BOND ANTICIPATION NOTES FOR VARIOUS PURPOSES - 2018
(FEDERALLY TAXABLE)
(the "Notes")

Date of Issue: May 24, 2018 **Maturity Date: May 24, 2019**

The Notes are general obligations of the Pearl River Union Free School District, in Rockland County, New York (the "District"), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District without limitation as to rate or amount.

The Notes are dated May 24, 2018 and will bear interest from that date until May 24, 2019, 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.

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

If the Notes are issued registered form registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in federal funds by the District to the registered owner(s).

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Notes will be made on or about May 24, 2018 in New York, New York, or such place agreed to by the purchaser(s) and the District.

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

DATED: May ___, 2018

PEARL RIVER UNION FREE SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK

BOARD OF EDUCATION

Jackie Curtiss .... President

Thomas DePrisco .... Vice President

Bruce Bond .... Board Member

Robert Davis .... Board Member

Christine Reddy .... Board Member

DISTRICT OFFICIALS

Marco Pochintesta .... Superintendent of Schools

Quinton Van Wynen, Jr. .... Director of Operations

Mary Flanagan .... District Clerk

INDEPENDENT AUDITORS

PKF O'Connor Davies, LLP
Harrison, New York

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

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CMA
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Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(845) 227-8678

No person has been authorized by the Pearl River Union Free School District to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. 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 Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates 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 changes in the affairs of the Pearl River Union Free School District since the date hereof.

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OFFICIAL STATEMENT

PEARL RIVER UNION FREE SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK

relating to

$3,400,000
BOND ANTICIPATION NOTES FOR VARIOUS PURPOSES – 2018
(FEDERALLY TAXABLE)
(the "Notes")

This Official Statement, which includes the cover page, the inside cover page and the appendices hereto, presents certain information relating to the Pearl River Union Free School District, in the Rockland County, in the State of New York (the "District," "County" and "State," respectively). It has been prepared by the District in connection with the sale of $3,400,000 Bond Anticipation Notes for Various Purposes - 2018 (Federally Taxable) (the "Notes").

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

THE NOTES

Description

The Notes will be dated and will mature on the date as reflected on the cover page hereof.

The District will act as Paying Agent for the Notes issued in book-entry form. For those Notes issued as certificated notes, the purchaser(s) will be, or named, Paying Agent. Paying Agent fees, if any, will be paid for by the purchaser(s). The District's contact information is as follows: Quentin Van Wynen, Jr., Director of Operations, 135 Crooked Hill Road, Pearl River, NY 10965, 845-620-3922, e-mail: vanwynenq@pearlriver.org.

Authority for and Purpose of the Notes

Authorization. The Notes are issued pursuant to the State Constitution and statutes of the State, including among others, the Education Law and the Local Finance Law, and a bond resolution adopted by the Board of Education on November 29, 2010, totaling $4,900,000 authorizing the acquisition of land, together with buildings and improvements thereon, at an estimated cost of $4,500,000, and improvements to the Pearl River high school building at an estimated cost of $400,000. The Notes were originally issued on May 30, 2014.

Purpose. The proceeds of the Notes, and $100,000 of funds on hand, will be used to redeem $3,500,000 Bond Anticipation Notes for Various Purposes - 2017 maturing on May 25, 2018.

Nature of the Obligation

The Notes, when duly issued and paid for, will constitute a contract between the District and the holder thereof.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal 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.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. Chapter 97 of the 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.

REMEDIES UPON DEFAULT

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

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

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 41 N.Y.2d 644 (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 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 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 noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

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

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.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for any Notes if issued as book-entry-only Notes. Such Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for each note bearing the same rate of interest and CUSIP and deposited with DTC.

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each 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 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

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

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

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

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

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

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

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

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE NOTES OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEOWNERS.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

MARKET FACTORS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

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

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

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

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

The District is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The District's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the District fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the District is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the District will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the District requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also "*State Aid*" herein.)

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

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

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

THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND OSC COMPLIANCE REVIEWS

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller ("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."

See the State Comptroller's official website for more information on FSMS. Reference to such website implies no warranty of accuracy of information therein.

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 conducted by OSC was released on March 25, 2016. The purpose of such audit was to review internal controls over the District's procurement process for the period July 1, 2014 through November 13, 2015. The complete report and the District's response can be obtained from OSC's website.

LITIGATION

In common with other school districts, the District from time to time receives various notices of claim and is party to litigation. In the opinion of legal counsel to the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

The District is also a party to various tax certiorari proceedings instituted under Article 7 of the Real Property Tax Law. In these actions, taxpayers have claimed that real property assessments, as presently determined, are excessive. Such claims seek to have the property assessment reduced and, generally, request a refund for a portion of the taxes previously paid. Tax certiorari claims are administered by the Town, however, the District must pay the portion of any tax refund applicable to school taxes. The District does maintain a reserve for tax certiorari settlements, and at June 30, 2017 the balance of the reserve was $1,775,126. The District is authorized, pursuant to the Local Finance Law, to finance judicially mandated tax refunds by issuing debt.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel to the District, interest on the Notes (i) is included in gross income for Federal income tax purposes pursuant to the Code and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

The following discussion is a brief summary of the principal United States Federal income tax consequences of the acquisition, ownership and disposition of Notes by original purchasers of the Notes who are "U.S. Holders", as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Notes will be held as "capital assets"; and (iii) does not discuss all of the United States Federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Notes as a position in a "hedge" or "straddle", holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire Notes in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Each prospective purchaser of Notes should consult with its own tax advisors concerning the United States Federal income tax and other tax consequences with respect to the acquisition, ownership and disposition of the Notes as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, if Original Issue Discount ("OID") is greater than a statutorily defined *de minimis* amount, a holder of a Note having a maturity of more than one year from its date of issue must include in Federal gross income (for each day of the taxable year, or portion of the taxable year, in which such holder holds such Note) the daily portion of OID, as it accrues (generally on a constant yield method) and regardless of the holder's method of accounting. "OID" is the excess of (i) the "stated redemption price at maturity" over (ii) the "issue price". For purposes of the foregoing: "issue price" means the first price at which a substantial amount of the Note is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); "stated redemption price at maturity" means the sum of all payments, other than "qualified stated interest", provided by such Note; "qualified stated interest" is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and "*de minimis* amount" is an amount equal to 0.25 percent of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity. A holder may irrevocably elect to include in gross income all interest that accrues on a Note using the constant-yield method, subject to certain modifications.

Acquisition Discount on Notes

Each holder of a Note is subject to rules of Sections 1281 through 1283 of the Code, if such holder is an accrual method taxpayer, bank, regulated investment company, common trust fund or among certain types of pass-through entities, or if the Note is held primarily for sale to customers, is identified under Section 1256(e)(2) of the Code as part of a hedging transaction, or is a stripped bond or coupon held by the person responsible for the underlying stripping transaction. In any such instance, interest on, and "acquisition discount" with respect to, the Note accrue on a ratable (straight-line) basis, subject to an election to accrue such interest and acquisition discount on a constant interest rate basis using daily compounding. "Acquisition discount" means the excess of the stated redemption price of a Note at maturity over the holder's tax basis therefor.

A holder of a Note not described in the preceding paragraph, including a cash-method taxpayer, must report interest income in accordance with the holder's regular method of tax accounting, unless such holder irrevocably elects to accrue acquisition discount currently.

Note Premium

In general, if a Note is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Note other than "qualified stated interest" (a "Taxable Premium Note"), that Taxable Premium Note will be subject to Section 171 of the Code, relating to bond premium. In general, if the holder of a Taxable Premium Note elects to amortize the premium as "amortizable bond premium" over the remaining term of the Taxable Premium Note, determined based on constant yield principles (in certain cases involving a Taxable Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the holder will make a corresponding adjustment to the holder's basis in the Taxable Premium Note. Any such election is generally irrevocable and applies to all debt instruments of the holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the holder of a Taxable Premium Note may realize a taxable gain upon disposition of the Taxable Premium Note even though it is sold or redeemed for an amount less than or equal to the holder's original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Note, a holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such holder's adjusted tax basis in the Note.

The District may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Notes to be deemed to be no longer outstanding (a "defeasance"). For Federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Notes subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate holders of the Notes with respect to payments of principal, payments of interest, and the accrual of OID on a Note and the proceeds of the sale of a Note before maturity within the United States. Backup withholding may apply to holders of Notes under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a Note that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

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 Notes under state law and could affect the market price or marketability of the Notes.

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

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the District shall furnish a certificate of the School Attorney, dated the date of delivery of the Notes, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the District wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the District or adversely affect the power of the District to levy, collect and enforce the collection of taxes or other revenues for the payment of its Notes, which has not been disclosed in this Official Statement.

Legal Matters

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

Closing Certificates

Upon the delivery of the Notes, the purchasers will be furnished with the following items: (i) a Certificate of the President of the Board of Education and certain officers of the District to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the District since the date of this Official Statement to the date of issuance of the Notes; and having attached thereto a copy of this Official Statement; (ii) a Certificate signed by an officer of the District evidencing payment for the Notes; and (iii) a Signature Certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Notes or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Notes were authorized or affecting the validity of the Notes thereunder, (b) neither the corporate existence or boundaries of the District nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded.

DISCLOSURE UNDERTAKING

In order to assist the purchasers in complying with Rule 15c2-12 with respect to the Notes, the District will execute an Undertaking to Provide Notices of Events for the benefit of holders of and owners of beneficial interests in the Notes, the form of which is attached hereto as Appendix E to this Preliminary Official Statement.

Compliance History

During the last five years, the District was late once by two days in 2011. Specifically, the 2011 information was filed on December 29, 2011 but it should have been filed by December 27, 2011, or 180 days after the end of the fiscal year.

The District has reviewed and modified its continuing disclosure practices to ensure that all annual filings and material event notices are filed in a timely manner.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Hopewell Junction, 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 Notes.

RATING

The District did not apply for a rating of the Notes.

The District's outstanding uninsured bonds are assigned a rating by Moody's Investor Service (Moody's) of "Aa2."

Such rating reflects only the views of such rating agency and any desired explanation of the significance of such rating should be obtained from Moody's at the following address: Moody's Investor Service, 7 World Trade Center at 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 the Notes or the availability of a secondary market for the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from Quinton Van Wynen, Director of Operations, 135 West Crooked Hill Road, Pearl River, New York 10965, (845) 620-3911, e-mail: vanwynenq@pearlriver.org or from the District's Municipal Advisor, Capital Markets Advisors, LLC, 1075 Route 82, Suite 4, Hopewell Junction, New York 12533, (845) 227-8678.

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 purchasers or holders of any of 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 Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

PEARL RIVER UNION FREE SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK

By: ______________________________________
Jackie Curtiss
President of the Board of Education and
Chief Fiscal Officer

DATED: May ___, 2018

APPENDIX A

THE DISTRICT

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THE DISTRICT

General Information

The District encompasses approximately 14 square miles in Rockland County and is located about 21 miles north of New York City. The District lies wholly within the Town of Orangetown and is primarily suburban-residential in character; however, there is extensive commercial and industrial development along Orangeburg Road.

Rail transportation is provided by the New Jersey Transit System (passenger service) and the West Shore Division of Conrail (freight service). Highways serving the District include the Palisades Interstate Parkway, Route 9W, New York State Route 59 and various County and Town roads. The New York State Thruway and the Garden State Parkway are located to the north and west, respectively, with accessible interchanges.

Electricity and natural gas are provided throughout the District by Orange and Rockland Utilities. Water services are provided by United Water Resources. The Town of Orangetown provides sanitary sewer services and police protection to District residents. Fire protection is provided by the Pearl River Fire District.

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

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

During the first fifteen days of July of each year, the Board meets for the purpose of reorganization. At that time an election is held within the Board to elect a President and Vice President, as well as to appoint a District Clerk and District Treasurer.

The major administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by the Board, include the following: Superintendent of Schools, Assistant Superintendent, Director of Operations, District Treasurer and District Clerk.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education 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 Director of Operations and the District Clerk.

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).

The Budget for the 2017-18 fiscal year was approved by a majority of the voters of the District on May 16, 2017. See Appendix B for a summary of the 2017-18 budget.

School Enrollment Trends

School enrollment history and projections are outlined below.

Fiscal Year Ended June 30:	Enrollment History	Fiscal Year Ended June 30:	Enrollment Projections
2014	2,644	2019	2,370
2015	2,555	2020	2,370
2016	2,524	2021	2,370
2017	2,522		
2018	2,552		

Source: District records.

District Facilities

The District operates seven schools; statistics relating to each are shown below.

Name	Capacity	Years Built/ Reconstructed	Grades
Nauraushaun School	N/A	1933, 1958, 1992	Offices
William Street School	N/A	1950	Leased
Evans Park Elementary School	486	1954, 1958, 1971, 2005	K-4
Lincoln Avenue Elementary School	432	1953, 1971	K-4
Franklin Avenue Elementary School	405	1966, 2000, 2006	K-4
Pearl River Middle School	1,026	1966, 2000	5-7
Pearl River High School	1,488	1962, 1972, 2001, 2006	8-12

Employees

The collective bargaining agents representing the various employee groups and the dates of expiration of their bargaining agreements are as follows:

Union	Number of Employees	Contract Expires
Pearl River Teachers' Association	214	June 30, 2020
Pearl River Schools Related Professional Assoc.	63	June 30, 2018
Pearl River Teaching Assistants Association	38	June 30, 2021
CSEA	37	June 30, 2019
Pearl River Administrators	11	June 30, 2021
Pearl River Nurses Association	7	June 30, 2019

Employee Benefits

New York State Certified employees (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-NYS certified/civil service employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System ("ERS"). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year's full-time service contribute 3% (ERS) or 3.5% (TRS) of their gross annual salary toward the cost of retirement programs.

On December 10, 2009 a new Tier V was signed into law. The law is effective for new ERS and TRS employees hired after January 1, 2010 and on or before April 1, 2012. Tier V ERS employees will contribute 3% of their salaries and TRS employees will 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 on or after April 1, 2012. The new pension tier has progressive contribution rates between 3% and 6% with no provision for these contributions to cease after a certain period of service; 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 prior poor performance of the investment portfolio of TRS and ERS, the employer contribution rates for required pension contributions to the TRS and ERS in 2011 and certain subsequent years have increased. To help mitigate the impact of such increases, legislation was enacted to permit school districts to amortize a portion of the contributions to the ERS only. Under such legislation, school districts that choose to amortize will be required to set aside and reserve funds with the ERS for certain future rate increases. The District has not and does not reasonably expect to amortize such contributions in the immediate future.

In Spring 2013, the State and TRS approved a Stable Contribution Option ("SCO") that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). ERS followed suit and modified its existing SCO. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below.

The TRS SCO deferral plan is available to school districts for a total of seven years. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2018-19) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan. The District has not and does not reasonably expect to participate in the ERS or TRS SCO program.

Retirement Billing Procedures

TRS. TRS contributions are paid as a reduction in State aid payments due September 15, October 15 and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis in the month of January.

ERS. The District's contributions to ERS are due on or before February 1. Such contributions are based on salary estimates for the State fiscal year ending on March 31 of the next calendar year. The amounts contributed to ERS and TRS for the last five fiscal are as follows:

Fiscal Year Ended June 30:	ERS	TRS
2013	$ 956,696	$2,952,180
2014	1,026,403	3,792,202
2015	974,320	4,321,996
2016	717,909	3,412,284
2017	746,828	3,152,914
2018 (Budget)	812,014	2,777,250

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 nonpension 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 two years for the District. The District is in compliance with the requirements of GASB 45. The District has determined that its unfunded actuarial accrued liability ("UAAL") for OPEB as of July 1, 2016 was $77,010,094. For the year ended June 30, 2017, the District's ARC was $7,770,499.

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 legislation or guidelines for the creation and use of reserve funds or irrevocable trusts for the funding of OPEB. The District continues funding the expenditure on a pay-as-you-go basis.

Legislation has been proposed 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 are no limits on how much a local government can deposit into the trust. The District cannot predict at this time whether such proposed legislation will be enacted into law.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the District has an investment policy applicable to the investment of all moneys and financial resources of the District. The responsibility for the investment program has been delegated by the Board of Education to the Director of Operations who was required to establish written operating procedures consistent with the District's investment policy guidelines. According to the investment policy of the District, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments. The District has designated five banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money. The District is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the District is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the District include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the District (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the District but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The District may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the District, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State.

Collateral Requirements. All District deposits in excess of the applicable insurance coverage provide by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the "eligible securities," "eligible surety bonds" or "eligible letter of credit" as described in the law.

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The District's security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection such deposits in the event of a default. Securities not registered or inscribed in the name of the District must be delivered, in a form suitable for transfer or with an assignment in blank, to the District or its designated custodial bank. The custodial agreements used by the District provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter of credit may be issued, in favor of the District, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the District in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

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 a 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, which 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.

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

Property Taxes

Fiscal Year	Total Revenues (1)	Real Property Taxes (2)	Real Property Taxes to Revenues
2013	$59,424,916	$44,347,414	74.6%
2014	62,017,910	46,031,643	74.2
2015	62,807,372	46,308,721	73.7
2016	63,838,654	47,073,753	73.7
2017	64,593,232	47,458,875	73.5
2018 (Budget)	65,880,252	48,417,311	73.5

(1) General Fund only.
(2) Exclusive of PILOT, interest and penalties on real property taxes and Other Tax Items, which represents STAR tax payments made to the District by the State. (See "STAR - School Tax Exemption" herein).
Source: Audited Financial Statements and Adopted Budgets of the District. This summary is not audited.

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute.

The following table sets forth total general fund revenues and State aid revenues during the last five fiscal years, and the amount budgeted for the current fiscal year.

State Aid

Fiscal Year Ended June 30:	General Fund Revenues (1)	State Aid	State Aid to Revenue (%)
2013	$59,424,916	$8,558,546	14.4%
2014	62,017,910	8,725,441	14.1
2015	62,807,372	9,220,959	14.7
2016	63,838,654	9,489,891	14.9
2017	64,593,232	10,041,847	15.6
2018 (Budget)	65,880,252	10,353,282	15.7

(1) Excludes other financing sources.

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*"). The District expects to receive timely STAR aid from the State for the current fiscal year.

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 could be affected by a delay in the adoption of the State budget or 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.

Potential reductions in Federal aid received by the State. The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise.

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 new 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.

Events Affecting New York School Districts

The recent history of state aid to school districts in the State for the last five years is as follows:

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.

The Smart Schools Bond Act 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 finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's estimated allocation of funds is $876,023.

School district fiscal year (2015-2016): The State Legislature adopted the State budget on March 31, 2015. The budget includes an increase of $1.4 billion in State aid for school districts that is tied to changes in the teacher evaluation and tenure process. School districts were required to obtain approval of their revised teacher evaluation plans by November 15, 2015 in order to receive their allotted increase in State aid.

School district fiscal year (2016-2017): The State Legislature adopted the State budget on March 31, 2016. The budget includes an increase of $991 million in State aid for school districts over the 2015-16 budget, $863 million of which consists of traditional operating aid. In addition to the $408 million of expense based aid, the Governor's budget includes a $266 million increase in Foundation Aid and a $189 million restoration to the Gap Elimination Adjustment. The majority of the remaining increase includes $100 million in 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 2017-2018 Enacted Budget provides for school aid of approximately $25.8 billion, an increase of $1.1 billion in school aid spending from the 2016-2017 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 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continues 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. In addition, the State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School district fiscal year (2018-2019): The State's final education budget includes record support for schools of more than $26 billion, including an increase of $1 billion over last year. This four-percent increase continues the commitment of funding education at a rate higher than the growth of the rest of the budget.

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 Financings of the Municipalities of the State*" herein).

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

The District retained the firm of PKF O'Connor Davies, LLP, Certified Public Accountants, to audit its financial statements for the fiscal year ended June 30, 2017. Appendix B attached hereto, presents excerpts from the District's most recent audited reports covering the last five fiscal years. Appendix C contains a link to the last fiscal year audit.

In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. See "*The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews*" herein.

REAL PROPERTY TAXES

Real Property Tax Assessments and Rates

The following is the Real Property Tax Assessment and Rates for the last five fiscal years ending June 30:

Real Property Tax Assessments, Rates and Collections
Fiscal Year Ending June 30:

	2014	2015	2016	2017	2018
Taxable Assessed Value:	$1,188,412,611	$1,183,107,705	$1,188,525,528	$1,183,122,987	$1,182,099,291
Equalization Rates: (a)	52.30%	49.85%	50.09%	50.05%	44.05%
Full Value:	2,272,299,447	2,373,335,416	2,373,780,052	2,363,882,092	2,686,589,298
Tax Rate Per $1,000 Assessed Value:					
Homestead	38.73	37.85	38.76	38.75	39.69
Non-homestead	59.94	64.58	65.61	66.44	66.45
Tax Levy (b)	$52,230,603	$52,264,917	$53,141,689	$53,384,946	$53,917,311

(a) All equalization rates are final.
(b) Includes STAR reimbursement and PILOTs.

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. However, Chapter 97 of the Laws of 2011, as amended, imposes a statutory limit on the amount of real property taxes that a school district may levy. (See "*The Tax Levy Limit Law*" herein.)

The Tax Levy Limit Law

Chapter 97 of the 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").

The Tax Levy Limit Law imposes 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, 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 increase in excess of the limit. In the event the voters reject the budget, or a subsequent resubmitted 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.

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 (such as the

Notes) 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, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See *"Nature of Obligation"* herein).

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". Press reports indicate that NYSUT is reviewing the decision and is likely to appeal to the Court of Appeals.

Tax Collection Procedures

School taxes are levied by the Board of Education upon the adoption of the final budget and completion of the assessment roll. Such taxes are collected for the District by the tax receiver of the Town. Amounts levied on State property by the District are collected by the County. Taxes are due in one installment on the first of September. Payments may be made without penalty until the 30th of September. A five percent penalty is added to all taxes paid during the month of October. After October 31, the tax receiver returns the tax roll, the warrant and statement of the unpaids to the District. The Board of Education certifies the statement of unpaids and transmits the statement and certification to the County. Unpaid school taxes are relevied by the County against the respective property owners. Amounts so relevied are included in the next tax bill issued by the County. The County must remit the full amount of the unpaid taxes to the District by April 1 of the year following the tax levy. THE DISTRICT THUS RECEIVES 100% OF ITS TAXES IN THE YEAR IN WHICH SUCH TAXES WERE LEVIED.

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 10.24% of the District's 2016-17 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 10.06% of the District's 2017-18 school tax levy was exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January 2018 (See "*State Aid*" herein).

Ten of the Largest Taxpayers

The following table presents the taxable assessed valuation of the District's largest taxpayers as listed on the assessment rolls for the 2016-2017 school year.

Ten Largest Taxpayers
2017-2018 Fiscal Year

Taxpayer	Classification	Assessed Valuations	% of Total Assessed Valuation (2)
Glorious Sun Robert Martin LLC	Real Estate	$33,817,590	2.86%
Orange and Rockland Utilities.	Utility	25,367,696	2.15
Cellco Partnership/Verizon	Cellular Comm.	18,923,750	1.60
Spring Valley Water/Corwick	Water	18,511,318	1.57
Clarins, Inc.	Fragrances	8,660,000	0.73
New York State	Municipal	8,320,198	0.70
Pearl River Veterans LLC	Office	7,100,000	0.60
Blue Hill Plaza Inn	Hotel	6,250,000	0.53
Chromalloy American Corp (1)	Aircraft Engine Manufacturing	5,850,000	0.49
155 Corporate Drive LLC	Data Center	5,800,000	0.49
Total		$138,600,552	11.72%

(1) Tax certiorari pending.
(2) Total assessed value for 2017-$1,182,099,291.

DISTRICT INDEBTEDNESS

Constitutional Requirements

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

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, or to be paid within three fiscal year periods, 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 periods of probable usefulness of the objects or purposes determined by statute or the weighted average period of probable usefulness of the several objects or purposes contracted therefor; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

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

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the notes. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 until the plans and specifications of such project have been approved by the Commissioner of Education of the State.

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, estops 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 Notes.

The Board of Education, as the finance board of the District, has the power to authorize the sale and issuance of bonds and notes, including the Bonds. However, such finance board may delegate the power to sell the 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 following table presents the debt-incurring power of the District and shows that the District is within its constitutional debt limit.

Computation of Statutory
Debt Contracting Limitation
As of June 16, 2018

Assessed Valuation	Equalization Ratio (a)	Full Valuation
$ 1,182,099,291	44.05%	$ 2,686,589,298
Debt-Contracting Limitation: (10% of Full Valuation)		$ 268,658,929

(a) State Office of Real Property Tax Services (ORPTS).

Statutory Debt Limit and Net Indebtedness
As of June 16, 2018

	Amount	Percent
Debt Contracting Limitation:	$ 268,658,929	100.00%
Gross Indebtedness:		
Serial Bonds [(a)]	8,620,000	3.21
Bond Anticipation Notes	3,500,000	1.30
Total Gross Debt	12,120,000	4.51
Exclusions and Deductions [(b)]	0	0.00
Net Indebtedness	12,120,000	4.51
Net Debt Contracting Margin	$ 256,538,929	95.49%

(a) Does not include energy performance contract outstanding in the amount of $2,666,432 as of June 16, 2018.
(b) The District estimates that it will receive approximately $2.9 million of State school building aid for outstanding bonds (not including refunded bonds). Such estimate, however, has not been certified by the State and, therefore, no deduction has been taken to compute the District's debt limit.

Tax Anticipation Notes

In common with other school districts in the State, the District finds it necessary, at times, 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 for the last five fiscal years.

Fiscal Year	Date Issued	Amount Issued	Date Due
2013-14	6-21-13	5,000,000	6-20-14
2014-15		None Issued	
2015-16		None Issued	
2016-17		None Issued	
2017-18		None Issued	

Revenue Anticipation Notes

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

Bond Anticipation Notes

The District currently has outstanding $3,500,000 Bond Anticipation Notes For Various Purposes – 2017 (FEDERALLY TAXABLE) which mature on May 25, 2018. Proceeds of the Notes and $100,000 of funds on hand will be used to redeem these notes at maturity.

Energy Performance Contract

In 2011, the District entered into an energy performance contract lease for $4.2 million. Such lease was outstanding in the amount of $2,666,432 as of June 16, 2018.

Trend of Capital Indebtedness

The following table sets forth the long-term bonded debt outstanding at the end of each of the last five fiscal years.

Fiscal Year Ending June 30:

	2013	2014	2015	2016	2017
Bonds	$17,395,000	$14,890,000	$13,175,000	$11,680,000	$10,185,000
Bond Anticipation Notes	0	0	4,900,000	4,000,000	3,500,000
Total Bonded Debt	$17,395,000	$14,890,000	$18,075,000	$15,680,000	$13,685,000

Overlapping and Underlying Debt

In addition to the District, the following 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 estimated net outstanding indebtedness (bonds and notes) of such political subdivisions, based on information furnished by such entities, but not independently verified, is as follows:

Statement of Direct and Overlapping Indebtedness
As of June 16, 2018

Gross Direct Indebtedness	$12,120,000
Exclusions and Deductions	0
Net Direct Indebtedness	$12,120,000

	Date	Gross Debt Outstanding	Percent Applicable to District	Net Amount Applicable To District
County	04-17-18	$450,745,214	7.14%	$32,183,208
Town	12-31-16	65,635,680	31.81	20,878,710
				$53,061,918

Debt Ratios

The following table presents certain debt ratios relating to the District's indebtedness as of June 16, 2018.

	Amount	Debt Per Capita (1)	Debt to Full Value(2)
Net Direct Debt	$12,120,000	$742	0.45%
Net Direct & Overlapping Debt	65,181,918	3,993	2.43

(1) The population of the District as of 2016 is estimated at 16,326.
(2) The District's full valuation of taxable real estate for fiscal year 2017-2018 is $$1,182,099,291.

Authorized and Unissued Debt

The District has authorized and unissued debt of $29 million for reconstruction and maintenance to various to District buildings. The District anticipates issuing approximately $5 to $10 million under this authorization in July 2018. Construction is expected to occur over the next two to three years.

Debt Service Schedule

The following table presents the debt service requirements to maturity on the District's outstanding general obligation bonded indebtedness.

<u>Schedule of Debt Service Requirements</u>

	Outstanding Indebtedness			
Years Ending June 30:	Principal	Interest	Total Debt Service	Cumulative Principal Paid
2018 (1)	$1,565,000	$306,119	$1,871,119	15.37%
2019	1,630,000	234,269	1,864,269	31.37
2020	1,685,000	180,269	1,865,269	47.91
2021	1,265,000	133,969	1,398,969	60.33
2022	1,310,000	95,469	1,405,469	73.20
2023	1,355,000	55,469	1,410,469	86.50
2024	680,000	28,369	708,369	93.18
2025	695,000	14,769	709,769	100.00
	$10,185,000	$1,048,702	$11,233,702	

(1) As of June 16, 2018, the District has paid $1,565000 in principal and $306,119 in interest for payments due on serial bonds during the fiscal year ending June 30, 2018.

ECONOMIC AND DEMOGRAPHIC DATA

Population

Population Trend
2000 - 2016

	2000	2010	2016	% Change 2000-2010	% Change 2010-2016
Town	47,711	49,212	50,175	3.1%	2.0%
County	286,753	311,687	326,780	8.7	4.8
State	18,976,457	19,378,102	19,745,289	2.1	1.9

Source: U.S. Department of Commerce, Bureau of the Census. American Community Survey – 5 Year Estimate

Income

Per Capita Money Income

	2010	2016	% Change
Town	$40,401	$46,151	14.2%
County	34,304	35,557	3.6
State	30,948	34,212	10.5

Source: U.S. Department of Commerce, Bureau of the Census (American Community Survey – 5 Year Estimate).

Median Income of Families
2016

		Income Groups - % of Families				
	Median Income	Under $25,000	$25,000 -49,999	$50,000 -74,999	$75,000 -99,999	$100,00 Or More
Town	$120,410	7.0%	10.5%	11.8%	11.0%	59.6%
County	101,398	11.7	12.7	12.1	12.6	51.0
State	74,036	15.5	18.6	16.5	13.2	34.9

Source: U.S. Department of Commerce, Bureau of the Census (American Community Survey – 5 Year Estimate).

Employment

Average Employed Civilian Labor Force
2000-2016

	2000	2010	2016	% Change 2000-2010	% Change 2010-2016
Town	25,000	22,600	23,300	(9.6)%	3.1%
County	139,300	138,800	146,100	(3.6)	5.3
State	8,718,700	8,769,700	9,121,300	0.6	4.0

Source: New York State Department of Labor.

Average Unemployment Rates

Year	Town	County	State	United States
2013	6.2%	6.3%	7.7%	6.5%
2014	5.0	5.2	6.3	5.4
2015	4.4	4.5	5.3	4.8
2016	4.1	4.2	4.8	4.5
2017	4.5	4.4	4.7	3.9
2018: (1)				
Jan	5.0	4.7	5.1	4.5
Feb	5.2	5.0	5.1	4.4

(1) Monthly Rates. Rates not seasonally adjusted.
Source: New York State Department of Labor and U.S. Bureau of Labor Statistics.

Large Commercial and Industrial Employers in the County

Name	Industry or Business	Number of Employees
Hamaspik of Rockland County	Health Services	1,875
Bon Secours Good Samaritan Hospital	Hospital	1,751
Nyack Hospital	Hospital	1,650
Pfizer, Inc.	Pharmaceuticals	1,300
Rockland Psychiatric Center	Health Care	1,224
Jawonio, Inc.	Health Care	1,100
BOCES of Rockland	Health Care	933
Helen Hayes Hospital	Hospital	910
Verizon Wireless	Communications	850
Northern Services Group	Nursing Home	832
St. Dominic's Home	Nursing Home	820
SUNY Rockalnd Community College	Education	807
Nice-Pak Products, Inc.	Paper Manufacturing	781
Orange & Rockland Utilities	Public Utility	781
A & T Healthcare	Health Care	760
Camp Venture, Inc.	Health Services	675
ARC of Rockland	Health Care	650
Community Home Health&Aide Svc, Inc	Health Care	600
Lamont-Doherty Geological Observatory	Earth Sciences Research	560
Par Pharmaceutical, Inc.	Pharmaceuticals	560
Hudson Valley Dev Disabilities Services	Health Services	557
Chestnut Ridge Transportation, Inc.	Transportation	540
Dominican College	Education	400
Rockland Bakery Inc.	Commercial	400
Friedwald Center for Rehab & Nursing	Health Services	372
Active International	Support Services	340

Source: Rockland County Official Statement dated The Rockland County Official Statement dated March 30, 2017.

Housing Data

Housing Stock
2000 - 2016

	Number of Units			% Change	
	2000	2010	2016	2000-2010	2010-2016
Town	17,827	18,611	19,261	4.4%	3.5%
County	94,973	104,057	104,651	9.6	0.6
State	7,679,307	8,108,103	8,191,568	5.6	1.0

Source: U.S. Department of Commerce, Bureau of the Census.

Median Housing Values and Rentals
2016

	% Constructed 2010-2016	Median Value Owner Occupied Units	Median Rent Renter Occupied Units	Occupancy Status Owner Occupied	Renter Occupied	Vacant
Town	0.6%	$467,400	$1,401	67.6%	25.3%	7.1%
County	1.6	420,700	1,367	65.2	29.4	5.4
State	0.8	286,300	1,159	47.5	41.2	11.3

Source: U.S. Department of Commerce, Bureau of the Census.

END OF APPENDIX A

APPENDIX B

UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

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PEARL RIVER UNION FREE SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION

	AS OF JUNE 30:				
	2013	2014	2015	2016	2017
ASSETS					
Cash And Equivalents	$ 14,443,206	$ 17,260,952	$ 17,893,202	$ 17,576,913	$ 15,681,124
Investments					
Receivables:					
Accounts	2,138	20,053	13,211	11,759	9,270
State and Federal Aid (net)	444,966	437,588	279,837	620,959	354,846
Due From Other Governments	671,669	541,024	1,158,860	716,195	729,887
Due From Other Funds	6,136,363	325,880	0	0	203,217
Total Assets	$ 21,698,342	$ 18,585,497	$ 19,345,110	$ 18,925,826	$ 16,978,344
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	$ 377,378	$ 384,329	$ 360,074	$ 289,525	$ 334,491
Accrued Liabilities	3,065,334	3,298,524	3,322,195	3,474,515	3,644,612
Due To Other Funds	0	0	811,958	943,304	0
Due To Other Governments	428,422	221,975	100,037	852,481	478,863
Due To Retirement Systems	3,491,878	4,411,421	4,842,930	3,760,957	3,468,195
Tax Anticipation Notes Payable	5,000,000	0	0	0	0
Total Liabilities	12,363,012	8,316,249	9,437,194	9,320,782	7,926,161
Fund Balance:					
Restricted	6,331,976	7,068,583	7,301,174	6,887,321	6,519,113
Assigned	516,575	677,788	66,616	134,352	353,064
Unassigned	2,486,779	2,522,877	2,540,126	2,583,371	2,180,006
Total Fund Balance	9,335,330	10,269,248	9,907,916	9,605,044	9,052,183
Total Liabilities and Fund Balance	$ 21,698,342	$ 18,585,497	$ 19,345,110	$ 18,925,826	$ 16,978,344

The financial data presented on this page has been excerpted from the audited financial statements of the District.

Such presentation, however, has not been audited.

Complete copies of the District's audited financial statements are available upon request.

PEARL RIVER UNION FREE SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

	FOR THE FISCAL YEARS ENDED JUNE 30:				
	2013	2014	2015	2016	2017
REVENUES:					
Real Property Taxes	$ 44,347,414	$ 46,031,643	$ 46,308,721	$ 47,073,753	$ 47,458,875
Other Tax items	5,874,231	6,090,527	6,182,186	6,006,630	5,896,021
Charges For Services	(117,066)	113,266	139,467	166,331	115,053
Use Of Money And Property	354,477	496,974	526,386	514,476	594,280
Sale Of Property And Compensation For Loss	6,324	1,270	975	371	690
State Aid	8,558,546	8,725,441	9,220,959	9,489,891	10,041,847
Federal Aid	11,124	65,657	13,347	7,589	2,087
Miscellaneous	389,866	493,132	415,331	579,613	484,379
Total Revenues	59,424,916	62,017,910	62,807,372	63,838,654	64,593,232
EXPENDITURES:					
Current:					
General Support	6,485,976	5,938,375	6,231,190	7,002,445	6,554,487
Instruction	34,847,106	35,183,792	35,917,295	37,248,823	38,610,653
Pupil Transportation	2,683,367	2,890,979	2,839,164	2,834,230	2,952,656
Employee Benefits	12,155,789	13,317,432	14,039,507	13,376,311	13,774,137
Debt Service	3,585,765	3,589,660	2,713,911	2,283,379	2,285,803
Total Expenditures	59,758,003	60,920,238	61,741,067	62,745,188	64,177,736
Excess (Deficiency) of Revenues Over Expenditures	(333,087)	1,097,672	1,066,305	1,093,466	415,496
OTHER FINANCING SOURCES (USES):					
Insurance Recoveries	94,228	0	0	0	0
Transfers - Out (a)	(49,373)	(163,754)	(1,427,637)	(1,396,338)	(968,357)
Total Other Financing Sources (Uses)	44,855	(163,754)	(1,427,637)	(1,396,338)	(968,357)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(288,232)	933,918	(361,332)	(302,872)	(552,861)
Fund Balance - Beginning of Year	9,623,562	9,335,330	10,269,248	9,907,916	9,605,044
Fund Balance - End of Year	$ 9,335,330	$ 10,269,248	$ 9,907,916	$ 9,605,044	$ 9,052,183

The financial data presented on this page has been excerpted from the audited financial statements of the District.
Such presentation, however, has not been audited.
Complete copies of the District's audited financial statements are available upon request.

PEARL RIVER UNION FREE SCHOOL DISTRICT
SUMMARY OF ADOPTED BUDGET
GENERAL FUND
FISCAL YEAR ENDED JUNE 30

	Adopted Budget 2016-17	Adopted Budget 2017-18
ESTIMATED REVENUES:		
Real Property Taxes	$ 47,490,459	$ 48,417,311
Other Tax Items	474,386	769,659
STAR	5,420,101	5,500,000
Departmental Income	11,000	11,000
Intergovernmental Charges	60,000	75,000
Use of Money and Property	528,000	444,000
Miscellaneous	261,000	300,000
State Aid	10,329,675	10,353,282
Federal Aid	10,100	10,000
TOTAL ESTIMATED REVENUES	64,584,721	65,880,252
APPROPRIATIONS:		
General Support	6,214,013	6,521,083
Instruction	38,813,751	39,608,468
Pupil Transportation	2,811,512	2,761,462
Employee Benefits	14,199,844	14,239,812
Debt Service	2,270,601	2,274,427
TOTAL APPOPRIATIONS	64,309,721	65,405,252
EXCESS OF ESTIMATED REVENUES OVER APPROPRIATIONS	275,000	475,000
OTHER FINANCING SOURCES (USES):		
Operating Transfers-In		
Operating Transfers-Out	(275,000)	
APPROPRIATED FUND BALANCE	$ 0	$ (475,000)

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APPENDIX C

LINK TO
INDEPENDENTAUDITORS' REPORT
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/ES1075810-ES839872-ES1240893.pdf

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

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. PKF O'Connor Davies, 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 BOND COUNSEL OPINION

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FORM OF BOND COUSEL OPINION

May 24, 2018

The Board of Education of
Pearl River Union Free School District,
in the County of Rockland New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Pearl River Union Free School District (the "School District"), in the County of Rockland, a school district of the State of New York in connection with the authorization, sale and issuance of the $3,400,000 Bond Anticipation Notes for Various Purposes- 2018 (Federally Taxable) (the "Notes"), dated and delivered on the date hereof.

We have examined a record of proceedings relating to the Notes 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 on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Notes 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 Notes and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Interest on the Notes is included in gross income for federal income tax purposes.

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

Except as stated above, 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. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, for any facts or circumstances that may hereafter come to our attention, for any changes in law or in interpretations thereof that may hereafter occur or for any other reason. We express no opinion as to the consequence of any change in law or interpretation thereof, or otherwise, that may hereafter be enacted, arise or occur, and we note that such changes may take place or be proposed from time to time. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel as to the exclusion from gross income for federal income tax purposes of interest on the Notes, or under state and local tax laws.

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

Very truly yours,

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APPENDIX E

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

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UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

"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 Pearl River Union Free School District, in the County of Rockland, 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 May 24, 2018.

"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 $3,400,000 Bond Anticipation Notes for Various Purposes-2018 (Federally Taxable), dated May 24, 2018, maturing on May 24, 2018, and delivered on the date hereof.

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

(1) principal and interest payment delinquencies;

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

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

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

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

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

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

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

(9) defeasances;

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

(11) rating changes;

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

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

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

(14) 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 **May 24, 2018**.

PEARL RIVER UNION FREE SCHOOL DISTRICT

By____
President of the Board of Education and Chief Fiscal Officer

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