

May 10, 2024

ERRATUM NOTICE

TO THE PRELIMINARY OFFICIAL STATEMENT DATED MAY 9, 2024
RELATING TO THE ISSUANCE OF

\$1,600,000

HORSEHEADS CENTRAL SCHOOL DISTRICT
CHEMUNG COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$1,600,000 School District (Serial) Bonds, 2024
(the "Bonds")

Dated: May 30, 2024

Due: April 15, 2025-2029

Please be advised that the Preliminary Official Statement for the above referenced issue, which is selling via competitive bid on Tuesday, May 14, 2024 at 10:30 A.M., has been revised as follows:

The section entitled "Budgetary Procedures and Recent Budget Votes – *Recent Budget Vote Results*" has been revised as follows:

Recent Budget Vote Results

The budget for the 2022-23 fiscal year was approved by the qualified voters of the District on May 17, 2022 by a vote of 705 yes to 313 no. The District's adopted budget included a total tax levy increase of 2.97%, which was equal to the District's maximum allowable Tax Cap of 2.97% for the 2022-23 fiscal year.

The budget for the 2023-24 fiscal year was approved by the qualified voters of the District on May 16, 2023 by a vote of 1,038 yes to 611 no. The District's adopted budget included a total tax levy increase of 4.66%, which was equal to the District's maximum allowable Tax Cap of 4.66% for the 2023-24 fiscal year.

The proposed budget for the 2024-25 fiscal year will be voted on by the qualified voters of the District on May 21, 2024. The District's proposed budget includes a total tax levy increase of 9.36%, which is above the District's maximum allowable Tax Cap of 6.41% for the 2024-25 fiscal year, and as such will require a 60% supermajority of the vote to pass.

The below section entitled "Projected Operating Results for Fiscal Year Ending June 30, 2024" is hereby incorporated into the Preliminary Official Statement:

Projected Operating Results for Fiscal Year Ending June 30, 2024

The District is anticipating an operating deficit at the close of the 2023-24 fiscal year. This deficit is driven by an unprecedented increase in health insurance expenses the District pays as a self-insured entity. This increase is not unique to the District as rising health care costs have been problematic for other self-insured school districts across the State. Because of such rapidly rising costs, the District is projecting a potential operating deficit of \$3.7 million for the 2023-24 fiscal year end. However, the District pays claims on a weekly basis and the actual deficit will be dependent on the balance of the amount and number of weekly claims, which cannot be fully predicted at this time. The District continues to work with its health care consultants to identify mitigation measures, but additional steps taken to mitigate this deficit could include additional use of fund balance and reserves, including the debt service fund.

In the District's 2024-25 proposed budget, the District is including a significant increase to its health insurance budget line in the amount of roughly \$3.7 million. The District is asking the community to provide an additional \$1.2 million in tax revenue to support the 2024-25 budget in addition to a planned appropriation of \$1.9 million in fund balance and reserves. The District is seeking to exceed its tax cap for the 2024-25 fiscal year which will require a 60% supermajority of the vote to pass. If the 2024-25 proposed budget fails to pass, the District will likely look to cut expenses further by reducing positions, equipment and supplies, contractual obligations, and BOCES services.

Note: These projections are based upon certain current assumptions and estimates, and final audited operating results may vary therefrom.

The information contained under this subheading "Projected Operating Results for Fiscal Year Ending June 30, 2024" is specific to the current fiscal year of the District and does not constitute annual financial information and operating data for purposes of the District's continuing disclosure undertaking with respect to the Bonds.