



**BLIND BROOK - RYE UNION FREE SCHOOL
DISTRICT, NEW YORK**

Report to Those Charged with Governance

June 30, 2021

October 12, 2021

Prepared by

Scott Oling, CPA

Partner

soling@pkfod.com

A large, light gray circular graphic with a thick border. Inside the circle, the words "KNOW GREATER VALUE" are written in a bold, black, sans-serif font, stacked vertically.

**KNOW
GREATER
VALUE**

October 12, 2021

The Board of Education
Blind Brook - Rye Union Free School District
390 North Ridge Street
Rye Brook, New York 10573

We have audited the financial statements of the Blind Brook - Rye Union Free School District, New York as of and for the year ended June 30, 2021 and have issued our report thereon dated October 7, 2021. Professional standards require us to communicate with you regarding audit matters that are, in our professional judgment, significant and relevant to those charged with governance ("TCWG") in overseeing the financial reporting process. This communication is intended to provide you with these required communications as well as other findings and information regarding our audit.

We are pleased to be of service to you and the Blind Brook - Rye Union Free School District, New York and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of TCWG and management of the Blind Brook - Rye Union Free School District, New York and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP

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Status of the Audit

Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been reviewed by management and issued.
- We have issued an unmodified report on the financial statements.

Required Communications and Other Matters

Required Item	Comments
Auditor's responsibility under professional standards and planned scope and timing of the audit	<p>We have communicated such information in our engagement letter to you dated April 9, 2021. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> • Forming and expressing an opinion on the financial statements. • Obtaining reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG"). • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
Supplementary information accompanying the financial statements	<p>Our responsibility for the supplementary information accompanying the financial statements is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.</p> <p>With respect to such supplementary information, we made certain inquiries of members of management and evaluated the form, content and methods of preparing the information to determine that the information complies with US GAAP, the method of preparing it has not changed from the prior period the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>
Other information in documents containing audited financial statements	<p>Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to determine that such other information is properly stated.</p>

Required Item	Comments
Our responsibilities under the Yellow Book	In connection with our audit, we performed tests of the Entity's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.
Responsibilities of management and TCWG	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p> <p>Both management and TCWG are responsible for:</p> <ul style="list-style-type: none"> • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud.
Qualitative aspects of accounting practices - Accounting Policies	<p>The significant accounting policies are described in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the reporting period that had a significant impact on the financial statements, other than the adoption of the provisions of Governmental Accounting Standards Board Statement No. 84, "Fiduciary Activities".</p> <p>The accounting policies of the Entity conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Entity's reports are based on all applicable GASB pronouncements.</p>
Qualitative aspects of accounting practices – Significant Unusual Transactions	No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.

Required Item	Comments
Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment	<p>Accounting estimates made by management are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Actual results could differ from those estimates.</p> <p>Certain accounting estimates are particularly sensitive because of their significance to financial statements and their susceptibility to change. The most sensitive estimates affecting the financial statements are:</p> <ul style="list-style-type: none"> • Actuarial assumptions related to the Other Postemployment Benefit Liability ("OPEB") • Actuarial assumptions and proportionate share calculations related to pension liabilities • Asset lives for depreciable capital assets • Estimates of certain receivable balances and allowances for uncollectible amounts • Estimates for certain operating and long-term liabilities <p>Management believes that the estimates used and assumptions made are adequate based on the information currently available. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements as a whole.</p>
Qualitative aspects of accounting practices - Financial Statement Disclosures	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <ul style="list-style-type: none"> • Other postemployment benefit liabilities payable • Pension plan information • Outstanding bonded indebtedness • Fund balances • Capital projects fund commitments <p>The financial statement disclosures are consistent and clear.</p>
Difficulties encountered in performing the audit	<p>We encountered no significant difficulties in dealing with management relating to the performance of our audit.</p>

Required Item	Comments
Corrected and uncorrected misstatements	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.</p> <p>We are required to communicate to you misstatements that remain uncorrected, including any related to prior periods, and the effect, if any, that they may have on the opinion in our report, and request their correction. There are no such financial statement misstatements that remain uncorrected.</p> <p>In addition, corrected misstatements that were brought to the attention of management as a result of our audit procedures are also included in Appendix 1.</p>
Disagreements with management	<p>For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of the audit.</p>
Management representations	<p>We have requested certain representations from management that are included in the management representation letter (see Appendix 2).</p>
Management's consultations with other accountants	<p>In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no such consultations with other accountants.</p>
Auditor Independence	<p>We affirm that PKF O'Connor Davies, LLP is independent with respect to the Entity in accordance with relevant professional standards.</p>
Significant issues discussed with management prior to retention	<p>We generally discuss with management a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Entity and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed and our responses thereto were a condition to our retention as auditors.</p>

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Blind Brook - Rye Union Free School District, New York's (the "Entity") internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, we share for your consideration on the following pages other observations about the internal control and operations.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

PKF O'Connor Davies, LLP
Harrison, New York
October 12, 2021

Blind Brook - Rye Union Free School District, New York

Control Deficiencies

- **Segregation of Duties**

Due to the limited number of people working in the Business Office, many critical duties are combined and distributed to the available employees. To the extent possible, these duties should be segregated when possible:

Payroll Function

In performing our audit of the internal control over the payroll processing function, we noted that the Payroll Clerk has the ability to add and modify employee payroll information in the system. Payroll is the most significant expenditure of the School District and is the most likely area where errors and possible irregularities could occur.

We also noted that the two-step approval process surrounding both the hiring and termination of employees was not being performed during the current fiscal year. In prior years, the School District followed personnel procedures in which all payroll calculations (including pro-rating salaries for newly hired employees and payout calculations upon employee terminations) were separately performed and the two then compared by both the Treasurer and the Assistant Superintendent for Finance and Facilities. This two-step review process added a layer of internal control to ensure that the proper payments to School District employees were accurately calculated.

Bank Reconciliations

During the audit, it was noted that the responsibilities of the Treasurer included entering and processing cash, making bank deposits, performing bank reconciliations, and maintaining the books and records.

Recommendation

We recommend that the School District review its internal control framework to ensure that the most critical Business Office employee functions are segregated to the extent practical. Although difficult given the size of the Business Office, we nevertheless suggest that a thorough review of the School District's adopted policies with respect to business office operations be revisited to ensure that systems are operating as intended. Where they are not operating as designed, modifications to procedures should be enacted.

Blind Brook - Rye Union Free School District, New York

Other Matters

- **General Fund**

Unassigned Fund Balance

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds (unassigned fund balance) a school district can retain to no more than four (4) percent of the subsequent year's budgetary appropriations. Our audit of the General Fund disclosed that the School District's unassigned fund balance was in excess of this statutory amount at June 30, 2021 by approximately \$825,000.

Recommendation

While much of this was the result of ongoing COVID-19 pandemic related expenditure savings due to scaled down operations, it also resulted from conservative state aid revenue estimates, which were appropriate at the time the 2020-21 budget was constructed and the level of uncertainty that existed at that time in regards to State finances. The School District should develop a long-range plan to return to compliance with this section of the law. If these funds were all to be returned in the budget to be built for the 2022-23 fiscal year, it could lead to budgetary imbalances for the 2023-24 fiscal year and beyond that might require tax increases or program reductions that the School District does not desire.

- **School Lunch Fund**

Excess Fund Balance

Federal regulations in 7 CFR, Section 210.9b state that a school food authority shall limit its net cash resources to an amount that does not exceed three months average expenditures for its nonprofit school food service. Amounts exceeding this limit require the school food authority to reduce the price children are charged for lunches or take other action designed to improve the nonprofit school food service (i.e. capital improvements). Our audit of the School Lunch Fund indicated that, based on 2020-21 expenditures, this limit would be \$31,652. The School Lunch Fund has a total assigned fund balance of \$48,371 at June 30, 2021, which is in excess of this limitation by \$16,719.

Recommendation

We recognize that School Lunch Fund expenditures in the 2020-21 fiscal year were far below previous years expenditure levels as a result of the COVID-19 pandemic. Should operations return to a more normal pattern in the upcoming fiscal year, this situation will most likely not recur. We recommend that the School District continue to monitor these operations to ensure compliance with these federal requirements.

Blind Brook - Rye Union Free School District, New York

Other Matters
(continued)

- **Capital Projects Fund**

During 2017, the voters approved a \$44.7 million bond proposition for additions and improvements at the Bruno M. Ponterio Ridge Street School and at the Middle/High School Campus. Due to certain issues and conditions that have occurred throughout the course of these projects, numerous change orders have been issued and approved. A new construction management contractor has also been retained. The School District anticipates that the costs to complete the projects will exceed the originally authorized amount. The level of additional spending is currently being evaluated by the School District and its outside professionals. The School District is prohibited from spending (and would not have the available resources in any event) beyond the amount approved in 2017. The School District intends to seek voter approval to increase the project's authorization or explore other cost reduction strategies.

Recommendation

The School District should perform a cash flow analysis to determine the timing of when current funds would be exhausted before new funds (assuming they are authorized by the voters) could be issued and available to complete the construction projects.

On the Horizon

GASB Statement No. 87 – Leases

Potentially pervasive changes are coming to lease accounting. Under the provisions of GASB Statement No. 87, nearly every lease will be considered a capital lease. While local governments and school districts would most likely be lessees in these kinds of transactions, some might also be involved in transactions where they are the lessor of these assets.

Under this standard, lessees will now be required to recognize in their entity-wide Statement of Net Position a lease liability and an intangible right-to-use lease asset when the lease begins. The intangible asset will be similar to other capital assets by requiring amortization over the life of the lease term, similar to depreciation of tangible capital assets. Also similar to other capital assets, leases will need to be assessed for impairment.

Lessors will do the opposite. Lessors will recognize a lease receivable and a deferred inflow of resources at the start of a lease. The receivable will be reduced and revenue recognized as lease payments are received each year. The lessor will continue to report the capital asset on its own Statement of Net Position.

Governments should review this standard early to anticipate what changes might need to be made to policies, accounting procedures, laws and regulations. **GASB Statement No. 95 postponed by eighteen months the effective date of this statement. Accordingly, the provisions of this Statement are effective for fiscal years beginning after June 15, 2021 (i.e., the School District's financial statements for the year ended June 30, 2022).**

Appendix 1

Corrected Misstatements

BLIND BROOK - RYE UNION FREE SCHOOL DISTRICT, NEW YORK

Corrected Misstatement's

June 30, 2021

Account	Description	Debit	Credit
Capital Fund			
Adjusting Journal Entries JE # 2			
To gross up installment purchase debt for 2 bus'			
H 5510.210-01-0000	BUS LEASE/PURCHASE	219,159.00	
H 5701	INSTALLMENT PURCHASE DEBT - BUS		219,159.00
Total		219,159.00	219,159.00

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Appendix 2

Management Representation Letter



BLIND BROOK PUBLIC SCHOOLS
BLIND BROOK – RYE UNION FREE SCHOOL DISTRICT
390 NORTH RIDGE STREET
RYE BROOK, NY 10573-1105
(914) 937-3600 Ext. 3022
FAX: (914) 937-5871
Email: cbyrne@blindbrook.org

COLIN BYRNE
INTERIM SUPERINTENDENT OF SCHOOLS

BLIND BROOK MIDDLE/HIGH SCHOOL
BRUNO M. PONTERIO RIDGE STREET SCHOOL

October 7, 2021

PKF O'Connor Davies, LLP
500 Mamaroneck Avenue, Suite 301
Harrison, New York 10528

This representation letter is provided in connection with your audit of the basic financial statements of the Blind Brook-Rye Union Free School District, New York ("School District"), which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2021, and the respective changes in financial position the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

This representation letter is also provided in connection with your audit of the financial statements of the Extraclassroom Activity Funds of the School District, which comprise the statement of cash receipts, cash disbursements and cash balances as of June 30, 2021 and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the basis of accounting prescribed by the New York State Department of Education.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, (having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves) as of the date of this letter, the following representations made to you during your audit.

Our Responsibilities

- 1) We acknowledge that we have fulfilled our responsibilities as set forth in the terms of the engagement letter dated April 9, 2021 for:
 - a) The preparation and fair presentation of the financial statements in accordance with US GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in

the financial reporting entity. The combining and individual fund financial statements have been prepared and presented in conformity with the accounting principles used to prepare the basic financial statements.

- b) The preparation and fair presentation of the financial statements of the School District's Extraclassroom Activity Funds in conformity with the accounting principles prescribed by the New York State Department of Education, which is a comprehensive basis of accounting other than US GAAP.
 - c) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
 - d) The design, implementation, and maintenance of internal control to prevent and detect fraud.
- 2) We understand that the term "fraud" refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional misstatements are relevant to your audit – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets.
- 3) We acknowledge our responsibility for presenting the combining and individual fund financial statements and schedules in accordance with US GAAP, and we believe the combining and individual fund financial statements and schedules, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the combining and individual fund financial statements and schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Financial Statements

- 4) The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. In that connection, we specifically confirm that:
- a) The School District's accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
 - b) There have been no changes during the period audited in the School District's accounting policies and practices.
 - c) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
- a) The identity of all related parties and related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b) Guarantees, whether written or oral, under which the School District is contingently liable, if any.
 - c) The effects of all known actual or possible litigation, claims, and assessments that should be considered when preparing the financial statements.

- 7) We have evaluated events subsequent to the date of the financial statements through the date of this letter, and no such events have occurred which would require adjustment or disclosure in the financial statements. have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the School District's accounts.

Information Provided

- 9) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if applicable.
 - c) Additional information that you have requested from us for the purpose of the audit.
 - d) Unrestricted access to persons within the School District from whom you determined it necessary to obtain audit evidence.
 - e) Completeness and availability of all minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - f) All significant contracts and agreements.
- 10) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Based on our assessment, we did not identify any fraud risks that we believe would result in a material misstatement of the financial statements.
- 11) There are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the School District's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.
- 12) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 13) We have no knowledge of any allegations of fraud or suspected fraud affecting the School District's financial statements communicated by employees, former employees, regulators, or others.
- 14) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

Hosting Services

- 15) We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by you at any time.

- 16) We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

Government—specific

- 17) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 18) The School District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance or net position.
- 19) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 20) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 21) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 22) There are no violations or possible violations of budget ordinances/resolutions, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 23) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. We also understand that as part of your audit, you prepared various adjusting journal entries, both on the fund and entity-wide level, and acknowledge that we have reviewed and approved those entries and accepted responsibility for them.
- 24) The School District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 25) The School District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 26) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

- 27) There are no component units or joint ventures with an equity interest or any other related organizations.
- 28) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
- 29) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 30) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 31) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- 32) Provisions for uncollectible receivables have been properly identified and recorded.
- 33) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 34) We agree with the findings of specialists in evaluating the other postemployment benefit obligation and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.
- 35) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 36) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) There were no special or extraordinary items that occurred during the fiscal year.
- 39) Deposits and investment securities are properly classified as to risk and are properly disclosed and valued.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 41) Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.

- 42) We have appropriately disclosed the School District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) There were no taxes abated during the School District's fiscal year.
- 46) Expenditures of federal awards were below the \$750,000 threshold for the year ended June 30, 2021, and we were not required to have an audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance").

Signature: Tiana Truong
Tiana Truong

Signature: Colin Byrne
Colin Byrne

Title: Treasurer

Title: Superintendent

Appendix 3

About PKF O'Connor Davies, LLP

FIRM OVERVIEW

Founded in 1891, PKF O'Connor Davies has evolved from an accounting firm to a corps of high-caliber professionals that delivers to a global and growing client base a complete range of audit, tax and advisory services as well as insights and expertise at the highest level. As our business has grown, our commitment to active value creation has allowed us to connect our clients to sound business advice, key players and resources across diverse industries.

An Acknowledged Global Leader

Not only are we one of the nation's most rapidly growing accounting and advisory firms, we are also the lead North American firm in the growing PKF global network of independent accounting and advisory firms. This enables us to provide clients with preferred access to top-tier experts and firms in over 400 locations, in 150 countries around the world. It also establishes us as the primary referral point for international businesses with needs in North America, an advantage for our domestic clients seeking connections outside the U.S.

Active Partner Involvement Dedicated Engagement Teams

We have built strong relationships with our clients by being proactive, thorough and efficient. Firm partners are involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. Multi-disciplinary teams ensure solutions are customized to address specific needs and integrated for greater efficiency.

A Higher Standard: Beyond Passive Value Calculation to Active Value Creation

Our focus on value has driven our growth, propelling PKF O'Connor Davies to the Top 27 on *Accounting Today's* 2021 "Top 100 Firms" list and gaining us acclaim as one of the country's fastest-growing firms. With unmatched client focus, we unlock genuine value hidden at key connection points in every engagement within regional, national and international arenas. Through these connections, our team of specialists continually drives efficiencies, uncovers opportunities and manages risk – delivering value where others can't.

Industry Recognition

- **Ranked 27 of "2021's Top 100 Firms"**
– *Accounting Today*, 2021
- **Ranked 7 of the "Top Firms in the Mid-Atlantic"**
– *Accounting Today*, 2021
- **"America's Best Tax Firms"**
– *Forbes*, 2021
- **Ranked 10 of "New Jersey's Top Accounting Firms"**
– *NJBIZ*, 2019
- **"Best Family Office – New Innovations"**
– *Private Asset Management Awards*, 2021
- **"Best Accountancy Advisor"**
– *Family Wealth Report Awards*, 2021
- **"Best Family Office Management Consultancy"**
– *Family Wealth Report Awards*, 2021
- **"Best Accounting Firms to Work For"**
– *Accounting Today*, 2021
- **"Best Places to Work in New Jersey"**
– *NJBIZ*, 2021
- **Ranked #2 "Best Accounting Internship"**
– *Vault*, 2021
- **Ranked 13 of the 50 "Best Accounting Employers to Work for in North America"**
– *Vault*, 2021

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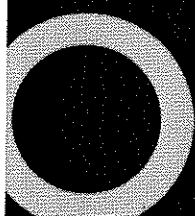
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**Blind Brook - Rye Union Free School District,
New York**

Extraclassroom Activity Funds

**Statement of Cash Receipts, Cash Disbursements
and Cash Balances**

Year Ended June 30, 2021



Independent Auditors' Report

**The Board of Education of the
Blind Brook - Rye Union Free School District, New York**

Report on the Financial Statement

We have audited the accompanying statement of cash receipts, cash disbursements and cash balances of the Extraclassroom Activity Funds of the Blind Brook - Rye Union Free School District, New York as of and for the year ended June 30, 2021, and the related note to financial statement.

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

Controls over cash receipts during the time period between when receipts are first received by student club members and when such receipts are given to School District personnel for initial entry in the accounting records are not sufficient to enable us to extend our audit procedures beyond the receipts recorded. Accordingly, we were unable to form an opinion with respect to the completeness of cash receipts.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the "Basis for Qualified Opinion" paragraph, the financial statement referred to in the first paragraph presents fairly, in all material respects, the cash receipts, cash disbursements and cash balances of the Extraclassroom Activity Funds of the Blind Brook - Rye Union Free School District, New York as of June 30, 2021 and for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

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

Restriction on Use

This report is intended solely for the information and use of the Board of Education, the State Education Department and management and is not intended to be and should not be used by anyone other than these specified parties.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 7, 2021

Blind Brook - Rye Union Free School District, New York

Extraclassroom Activity Funds

Statement of Cash Receipts, Cash Disbursements and Cash Balances

Year Ended June 30, 2021

	Cash Balances Beginning	Receipts	Disburse- ments	Cash Balances Ending
Class of 2019	\$ 155	\$ -	\$ 155	\$ -
Class of 2020	6,078	-	6,078	-
Class of 2021	2,733	37,214	31,264	8,683
Class of 2022	1,606	4,258	3,459	2,405
Class of 2023	1,248	1,865	-	3,113
Class of 2024	-	2,768	672	2,096
Focus Newspaper Club	616	336	215	737
High School Community Service	2,010	-	-	2,010
High School Student Senate	16,924	2,130	2,225	16,829
High School Yearbook	5,804	1,855	-	7,659
Human Relations	144	-	-	144
Instrumental Music	4,820	321	3,380	1,761
Little Wishes Club	515	-	515	-
Middle School Government	2,663	1,058	-	3,721
Middle School Yearbook	63	4,077	2,379	1,761
Midnight Run	6,211	8,256	10,824	3,643
Model UN	2,803	2,779	2,285	3,297
Robotics Club	3,494	2,721	1,751	4,464
Computer Club	-	500	-	500
HS Debate Team	-	2,831	1,155	1,676
Sales Tax	82	1,982	1,794	270
Total	\$ 57,969	\$ 74,951	\$ 68,151	\$ 64,769

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

Blind Brook - Rye Union Free School District, New York

Extraclassroom Activity Funds
Note to Financial Statement
June 30, 2021

Note 1 - Summary of Significant Accounting Policies

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Blind Brook - Rye Union Free School District, New York ("School District"). These funds are reflected in the financial statements of the School District within the Special Purpose Fund.

A. Basis of Accounting

The financial statements was prepared on the basis of cash receipts and cash disbursements in conformity with the accounting principles prescribed by the New York State Department of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

B. Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Extraclassroom Activity Funds deposits and investment policies follow the School District's policies. The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks that hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 72, *"Fair Value Measurement and Application"*, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Note 1 - Summary of Significant Accounting Policies (Continued)

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2021.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

**Blind Brook - Rye Union Free
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2021

Blind Brook - Rye Union Free School District, New York

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Blind Brook - Rye Union Free School District, New York

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Independent Auditors' Report

**The Board of Education of the
Blind Brook - Rye Union Free School District, New York**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Emphasis of Matter

We draw attention to Notes 2D and 2F in the notes to financial statements which discloses the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the School District as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated September 22, 2020 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 7, 2021



**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards**

Independent Auditors' Report

**The Board of Education of the
Blind Brook - Rye Union Free School District, New York**

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 7, 2021

Blind Brook - Rye Union Free School District
Rye Brook, New York

Management's Discussion and Analysis (MD&A)
June 30, 2021

This discussion and analysis of the Blind Brook - Rye Union Free School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2021. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the School District's financial performance.

Financial Highlights for FY 2020-2021

Key financial highlights for fiscal year 2020-2021 are as follows:

- The School District's total fund balance within its General Fund was \$6,626,316 for the year ended June 30, 2021. The amount of unassigned fund balance that can be retained by the General Fund is limited to no more than 4% of the ensuing year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,870,274, or 5.6%, and therefore over the statutory limit. This overage is acknowledged and was a direct result of the COVID-19 pandemic's effect on the School District's financial operations.
- As of the close of the 2020-2021 fiscal year, the School District's governmental fund financial statements report a combined total ending fund balance of \$17,870,440, a decrease of \$18,566,694 from the prior year's ending fund balance of \$36,437,404 (as restated for the effects of the implementation of the requirements of the provisions of Governmental Accounting Standards Board Statement No. 84, "*Fiduciary Activities*"). The major factor driving the decrease in combined total fund balance is the reduction in the fund balance of the Capital Projects Fund of \$19,402,237 as spending continued on the voter approved \$44.7 million capital improvement projects. The borrowing for the project occurred during the 2019-20 fiscal year. On June 30, 2021, \$10,399,678 was still available as construction remains in-progress. It is also noteworthy that the School District was still able to maintain resources in the restricted component of fund balance for tax certiorari claims, future retirement expenditures, and compensated absences. Also noteworthy about the total combined fund balance is that it includes an amount restricted for debt service of \$498,505, which may be used to help offset future debt service obligations.
- The General Fund's overall (total) fund balance increased by \$1,008,744 and the General Fund's unassigned fund balance of \$2,870,274, represents approximately 43.3% of its total fund balance, although decreasing by \$102,618 from the prior year.
- Of special note is the fact that the School District was able to budget \$1,850,000 (\$200,000 of which is to be transferred from the debt service fund) as an appropriated surplus contribution to reduce the tax levy associated with the 2020-2021 budget, and \$2,604,649 for the same purpose with the 2021-2022 budget. Favorable School District financial operations have permitted these management actions in recent years, including COVID-19 restrictions the last two fiscal years.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at the close of its most recent fiscal year by \$53,134,578. This represented a decrease of \$5,310,309 for the year ended June 30, 2021, inclusive of an adjustment of \$172,336 for the cumulative effect of a change in accounting principle due to the implementation of the provisions of GASB Statement No. 84. In accordance with GASB

Statement No. 84, the School District determined that the extra classroom activity funds should be reported with governmental activities (and governmental funds) and not within fiduciary funds.

- The School District is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the School District has recognized substantial liabilities in the district-wide financial statements for these benefits. As of June 30, 2021, the School District had liabilities of \$95,666,710 for other postemployment benefits recorded in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"). The School District also reported \$3,235,034 for its proportionate share of the net pension liabilities of the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS") recorded in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*". More detailed information about the School District's OPEB and pension reporting is presented in Note 3D in the notes to financial statements.
- During the current fiscal year, the School District issued \$219,159 in installment purchase debt for the acquisition of school buses. The School District also retired \$3,380,000 of bonded indebtedness, \$194,763 in obligations associated with its energy performance contract and \$44,704 of its installment purchase debt.
- At June 30, 2021, the School District has incurred \$34,300,322 of expenditures toward the voter authorized \$44,700,000 capital improvement plan. Due to certain issues and conditions that have occurred throughout the course of these projects necessitating numerous change orders, the School District anticipates the remaining commitments to contractors to exceed the originally authorized amount. The level of additional spending is currently being evaluated by the School District together with the construction specialists working on the project. The School District intends to seek voter approval to increase the project's authorization or explore other cost reduction strategies.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: (1) district-wide financial statements, (2) fund financial statements and (3) notes to financial statements. This report also contains combining and individual fund financial statements and schedules in addition to the basic financial statements.

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.
 - The *statement of net position* presents information on all of the School District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
 - The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave, OPEB and net pension liabilities).
 - The *governmental activities* of the School District include instruction, pupil transportation, cost of food sales, other, interest, and general administrative support.

The district-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The School District maintains seven individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Debt Service Fund, Capital Projects Fund and Permanent Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid and the Capital Projects funds, which are considered to be major funds. Data for the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided within the basic financial statements to demonstrate compliance with the budget.
- The *Fiduciary Funds* are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, the School District had no such activity to report in this fund category.

The financial statements for the governmental funds can be found in the basic financial statements section of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to financial statements can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the School District's other postemployment and pension benefit liabilities, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. This MD&A includes a summary of two district-wide statements that focus on operations of the School District as a whole. These statements measure inputs and outflows using an economic resources measurement focus and use the accrual basis of accounting. Activities that are fiduciary in nature are not included in these statements.

In the case of the School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$53,134,578 for the year ending June 30, 2021.

Net Position

	June 30,	
	2021	2020
Current Assets	\$ 27,055,856	\$ 45,132,255
Capital Assets, net	65,338,474	46,600,352
Total Assets	92,394,330	91,732,607
Deferred Outflows of Resources	37,752,387	40,407,827
Current Liabilities	9,511,171	6,673,834
Long-Term Liabilities	155,094,652	155,260,924
Total Liabilities	164,605,823	161,934,758
Deferred Inflows of Resources	18,675,472	18,029,945
Net Position		
Net Investment in Capital Assets	24,387,983	21,631,982
Restricted for		
Debt Service	498,505	687,292
Tax Certiorari	42,176	42,155
Retirement Contributions	139,095	239,095
Special Purposes	289,708	90,910
Permanent Fund	2,750	2,800
Unrestricted	(78,494,795)	(70,518,503)
Total Net Position	\$ (53,134,578)	\$ (47,824,269)

Current assets decreased by \$18,076,399 from the prior year. Cash and equivalents and investments decreased by \$15,425,690 primarily for capital project expenditures. The net pension asset for the TRS decreased by \$3,067,407 due to investment losses by the retirement system for its fiscal year ending June 30, 2020.

Long-term liabilities, which consist of general obligation bonds, energy performance contract debt, net pension and OPEB liabilities, decreased by \$166,272 from the previous year. The OPEB liability increased by \$2,977,766 primarily due to a decline in the discount rate. The net pension liabilities to ERS and TRS also increased by a net of \$3,591,933 due to investment losses for TRS for its fiscal year ending June 30, 2020 partially offset by investment gains for ERS for its fiscal year ending March 31, 2021. The School District also issued new installment purchase debt of \$219,159 to finance the acquisition of two buses while retiring \$3,380,000 in previously issued bonded indebtedness.

The largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions constitute \$972,234 of net position. There is a negative balance of unrestricted net position of \$78,494,795, primarily the result of the recognition of the OPEB liabilities.

This deficit does not mean that the School District does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including compensated absences (\$407,368), net pension liabilities (\$3,235,034), retirement incentives (\$220,000) and OPEB liabilities (\$95,666,710) that are greater than currently available resources. Payments for these liabilities will be budgeted in the years that the actual payments will be made.

Changes in Net Position

	June 30,	
	2021	2020
REVENUES		
Program Revenues		
Charges for Services	\$ 715,533	\$ 1,185,910
Operating Grants and Contributions	863,904	700,953
Capital Grants and Contributions	11,213	308,384
Total Program Revenues	1,590,650	2,195,247
General Revenues		
Real Property Taxes	42,670,765	38,601,271
Other Tax Items	1,351,328	1,420,380
Non-Property Taxes	601,198	494,116
Unrestricted Use of Money and Property	3,644	125,766
Sale of Property and Compensation for Loss	18,252	40,245
Unrestricted State Aid	3,656,285	3,096,545
Miscellaneous	193,805	89,253
Total General Revenues	48,495,277	43,867,576
Total Revenues	50,085,927	46,062,823
PROGRAM EXPENSES		
General Support	5,815,325	5,070,971
Instruction	46,735,222	45,969,031
Pupil Transportation	1,563,802	1,353,058
Cost of Food Sales	105,508	343,660
Other	68,151	-
Interest	1,280,564	1,128,064
Total Expenses	55,568,572	53,864,784
Change in Net Position	(5,482,645)	(7,801,961)
NET POSITION		
Beginning, as reported	(47,824,269)	(40,022,308)
Cumulative Effect of Change in Accounting Principle	172,336	-
Beginning, as restated	(47,651,933)	(40,022,308)
Ending	\$ (53,134,578)	\$ (47,824,269)

As seen above, governmental activities decreased the School District's net position by \$5,310,309 (inclusive of the cumulative effect of change in accounting principle) during the current fiscal year. Noteworthy is the impact on this schedule of the requirements of recognizing OPEB and pension expenses in accordance with applicable pronouncements. Other changes in these activities are described on the next page.

Revenues

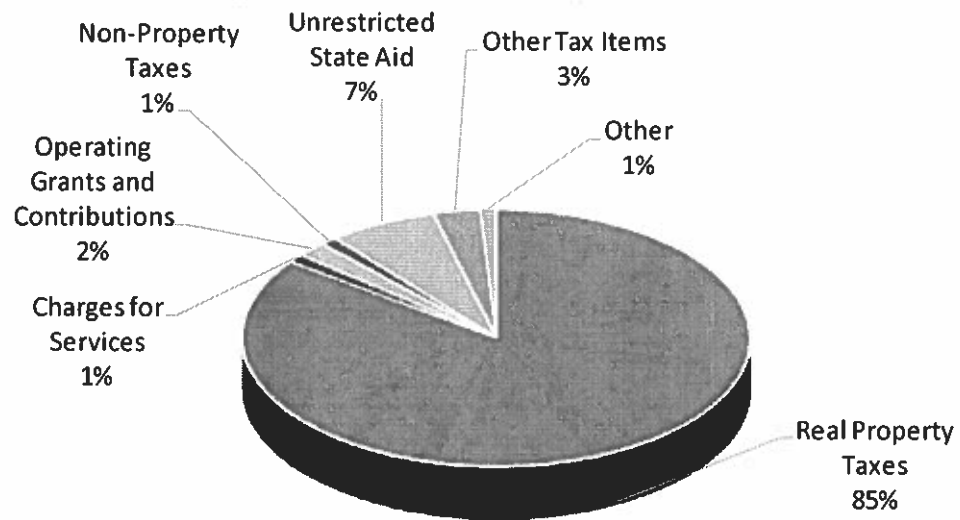
- Real property taxes (\$42,670,765) increased by \$4,069,494, or 10.5%. Although this was a result of a higher tax levy in the 2020-2021 fiscal year (primarily due to increased debt service obligations resulting from the issuance of \$44.7 million in general obligation serial bonds in the prior fiscal year to support the capital improvement project), it is noteworthy that the final calculated tax levy was under the maximum allowable limit associated with the NYS Real Property Tax Cap Legislation.
- The School District received \$3,664 in unrestricted interest earnings in 2020-2021, \$122,122 less than it received in the prior year because of falling interest rates throughout the year.
- Non-property taxes (\$601,198) increased by \$107,082 from the prior year reflecting an increase in sales tax revenue received by the School District from Westchester County in 2020-2021. The extent of this increase was due to the recovery from pandemic effected sales tax collections in 2020.
- Unrestricted State Aid allocated to the School District increased by \$559,740 from prior year amounts because of additional building aid resulting from the increased debt service requirements of the \$44.7 million capital project bond. Overall, the School District received slightly more than \$3.6 million in unrestricted State aid during this fiscal year. The School District also recovered the 20% reduction in Excess Cost Aid and BOCES Aid payments at the end of the prior school year of \$48,627 that was withheld by the state during the COVID-19 pandemic.

Expenses

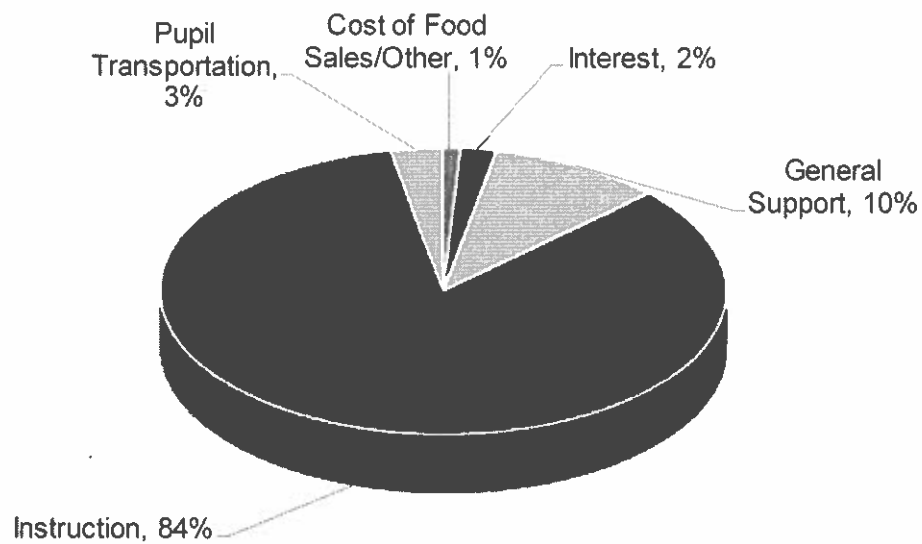
- General Support expenses increased by \$744,354 in 2020-2021. The increase was primarily due to an increase in long-term pension and OPEB liabilities as well as additional legal costs and soft costs related to the capital project.
- Instruction program expenses increased by only \$766,191 from the prior year. The increase was primarily due to an increase in long-term pension and OPEB liabilities.
- Pupil transportation costs increased by \$210,744 from the prior year. Prior year school closures as a result of the COVID-19 pandemic had sharply lowered transportation costs, which returned to more normal levels in the current fiscal year.
- Cost of food sales decreased by \$238,152 as fewer meals were served due to the hybrid schooling environment that existed for most of the 2020-21 fiscal year.

As indicated on the charts located below, the School District relies upon real property taxes as its primary revenue source. The School District's instruction costs account for 84% of its expenses.

**Sources of Revenue for Fiscal Year 2021
Governmental Activities**



**Expenses for Fiscal Year 2021
Governmental Activities**



Financial Analysis of the School District's Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a School District's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the School District itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Board of Education.

As of the end of the current fiscal year, the School District's governmental fund financial statements report a combined total ending fund balance of \$17,870,440, a decrease of \$18,566,964 from the prior year's ending fund balance of \$36,437,404 (including the cumulative effect of change in accounting principle). As previously stated, the major factor driving this decrease was the reduction in the fund balance of the Capital Projects Fund of \$19,402,237 as spending continued on the voter approved \$44.7 million capital improvement projects. On June 30, 2021, \$10,399,678 was still available as construction remains in-progress. It is noteworthy that the General Fund's total unassigned fund balance decreased modestly to \$2,870,274 or 5.6% of the 2021-2022 budget. Overall, this balance decreased by \$102,618 and is attributed to a modest increase in operating costs related to preventive health and safety measures associated with the COVID-19 pandemic.

General Fund Budgetary Highlights

The General Fund is the primary operating fund of the School District. The adopted budget for fiscal year 2020-2021 of \$50,456,017 was increased by \$85,329 because of the rollover of prior year encumbrances and the appropriation of fund balance restricted for employee benefit accrued liability. As is typical during the fiscal year, appropriation transfers within the budget were made to address the operational needs of the School District. The final adjusted budget for the fiscal year ending June 30, 2021 was \$50,541,346.

During the 2020-2021 fiscal year, revenues and other financing sources exceeded expenditures and other financing uses by \$1,008,744. This is an atypical event. As mentioned in this report, the expenditure savings are a direct result of the reduction in certain operating costs during the year due to the ongoing COVID-19 pandemic. It is also attributable to the conservative budget estimate for state aid. The state aid estimate contained in the adopted budget assumed a continued 20% state aid holdback as a result of the pandemic. However, early in 2021, New York State rescinded plans to withhold this amount of aid. Accordingly, the School District recognized \$767,037 more in state aid than had been expected.

At the end of the fiscal year, the total fund balance of the General Fund was \$6,626,316 for the year ended June 30, 2021. The amount of unassigned fund balance that can be retained by the General Fund is limited to no more than 4% of the ensuing year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,870,274, or 5.6%, and therefore over this statutory limit. This overage was a direct result of the 2020-2021 COVID-19 pandemic's effect on the School District's financial operations during the 2020-2021 school year. The Board of Education has chosen to maintain this level of unassigned fund balance and utilize it in supporting future budgets. The Board's intentions are to protect the interests of the public educational program at Blind Brook and are not meant to disregard or otherwise not comply with statutory requirements as pertaining to unassigned fund balance retention.

The following table outlines the various balances that comprise the total fund balance as of June 30, 2021 according to their GASB Statement No. 54 classifications along with what the former classifications would have been. More detailed information about the School District's fund balance is presented in note 3G in the notes to financial statements.

Total Fund Balance Classifications

<u>GASB Statement No. 54 Classification</u>	<u>Previous Classifications</u>	<u>Fund Balance</u>
Nonspendable Fund Balance	Reserved for Prepaid Expenditures	\$ 424,319
	Reserved for Inventories (School Lunch Fund)	5,112
	Reserved for Trust (Permanent Fund)	<u>1,000</u>
		<u>430,431</u>
Restricted Fund Balance	Reserved for Tax Certiorari	42,176
	Reserved for Employee Benefit Accrued Liability	368,419
	Reserved for Retirement Contributions	139,095
	Capital Projects	10,399,678
	Special Purposes	289,708
	Reserved for Debt Service (Debt Service Fund)	498,505
	Permanent Fund Unreserved Fund Balance	<u>1,750</u>
		<u>11,739,331</u>
Assigned Fund Balance	Reserved for Encumbrances:	
	General Government Support	7,337
	Instruction	170,047
	Appropriated Fund Balance – General Fund	2,604,649
	School Lunch Fund Unreserved Fund Balance	<u>48,371</u>
		<u>2,830,404</u>
Unassigned Fund Balance	Unreserved and Undesignated - General Fund	<u>2,870,274</u>
Total Fund Balance (as of 6/30/21)		<u>\$ 17,870,440</u>

Capital Assets

On June 30, 2021, the School District had capital assets of \$65,338,474, net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is as follows:

Class	June 30,	
	2021	2020
Land	\$ 985,788	\$ 985,788
Construction-in-progress	33,818,617	14,416,380
Buildings and Improvements	29,743,854	30,768,788
Machinery and Equipment	790,215	429,396
Total Capital Assets, net of accumulated depreciation	<u>\$ 65,338,474</u>	<u>\$ 46,600,352</u>

The change in capital assets during the current fiscal year results from construction in-progress on the \$44.7 million District-Wide Capital Improvement project.

More detailed information about the School District's capital assets is presented in note 3B in the notes to financial statements.

Long-Term Debt

The School District had general obligation and other long-term debt outstanding as follows:

	June 30,	
	2021	2020
Bonds Payable	\$ 53,304,907	\$ 56,918,344
Energy Performance Contract Payable	2,086,178	2,280,941
Installment Purchase Debt	174,455	-
Compensated Absences	407,368	387,187
Net Pension Liability - ERS	10,044	2,710,508
Net Pension Liability (Asset) - TRS	3,224,990	(3,067,407)
Retirement Incentive Payable	220,000	275,000
Other Post Employment Benefit Obligations	95,666,710	92,688,944
Total	<u>\$ 155,094,652</u>	<u>\$ 152,193,517</u>

During the 2020-2021 fiscal year, the School District issued \$219,159 in installment purchase debt and retired \$3,380,000 in general obligation serial bonds, \$194,763 in energy performance contract debt and \$44,704 in installment purchase debt. The School District recorded its net pension liability to ERS and TRS as required by the provisions of GASB Statement No. 68. The School District's other postemployment benefit liability was recorded in accordance with the provisions of GASB Statement No. 75. This liability will continue to grow as at this time the School District is permitted by New York State only to fund its pay-as-you-go obligations for health insurance.

More detailed information about the School District's long-term liabilities is presented in note 3D in the notes to financial statements.

Conclusion

The School District is financially sound; it maintains a credit rating of Aa2. Despite ongoing pandemic concerns, uncertain economic times, rising personnel costs, additional State Education Department mandates, and particularly ambitious educational goals, the School District is prepared to meet future challenges. It has positioned the educational, financial, and human resources necessary to remain a stable and strong municipal entity ready to serve all school-aged children of the Blind Brook community with an educational plan that provides academic rigor and high standards. But perhaps most relevant and important is the support for public education that the Blind Brook community has always demonstrated since the School District was established 50 years ago. The Blind Brook Public Schools are truly the cornerstone of this community.

From an operational standpoint, there are clear school board policies guiding fiscal and budgetary matters. Effective internal controls are in place in the School District's business office and a prudent budget process occurs whereby spending is always computed based on what is best for students. Annual budgets are approved by the School Board and resident voters each year, without fail. Over the past 50 years, annual budget votes and periodic bond votes have always been approved by resident voters, and by large margins.

The School District heavily depends on its real property taxes, which represent approximately 80% of its revenue, exclusive of STAR funds. Although there are many unfunded mandates imposed on it, the 2021-2022 budget was the first budget in over twenty years that had a 0% tax levy increase, achieving its goal of keeping the tax levy at or below the cap.

The challenge of presenting a fiscally responsible budget while meeting the needs of children will continue to require effective and efficient management of School District operations now and in future years. This is especially true considering the property tax cap law, enacted in Chapter 97 of the Laws of 2011, and extended by Chapter 20 of the Laws of 2015, is now a permanent cap which restricts tax levy increases for New York State local governments including public school districts.

Despite all of the uncertainty facing the School District, a clear and present silver lining is the total fund balance within its General Fund of \$6,626,316 for the year ended June 30, 2021 and the amount of unassigned fund balance totaling \$2,870,274, or 5.6% of the 2021-2022 budget. It has an additional \$2,782,033 in its assigned fund balances, of which \$2,604,649 has been appropriated to the 2021-2022 budget, and it has a restricted fund balance of \$549,690.

Importantly, this School District and Board monitor its fiscal health through analyses of monthly financial reports and the utilization of various audits. These analyses and audits assist in identifying areas of potential financial stress, developing realistic budgets that serve the academic and emotional needs of students, as well as, in making timely decisions when faced with important financial decisions. There are four types of auditors that assist in the School District setting: claims auditor, internal auditor, external auditor, and NY State auditors. Each has a very important role in ensuring that the School District is financially solvent and that the School Board upholds its fiduciary responsibilities to its community. Each audit that has been performed over the past 20 years, has informed that the School District's financial operations are executed in accordance with state laws and/or existing School Board policies and administrative regulations.

The audited financial statements that follow capture relevant data thus, validating the overall financial position of the School District for the year ending June 30, 2021.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Blind Brook-Rye Union Free School District
Attention: Tiana Truong, Treasurer
390 North Ridge Street
Rye Brook, New York 10573
ttruong@blindbrook.org

Blind Brook - Rye Union Free School District, New York**Statement of Net Position
June 30, 2021**

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 2,407,919
Investments	23,129,896
Receivables	
Accounts	67,454
State and Federal aid	865,538
Due from other governments	155,618
Inventories	5,112
Prepaid expenses	424,319
Capital assets	
Not being depreciated	34,804,405
Being depreciated, net	30,534,069
Total Assets	92,394,330
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	25,371
Pension related	13,704,201
OPEB related	24,022,815
Total Deferred Outflows of Resources	37,752,387
LIABILITIES	
Accounts payable	6,700,732
Accrued liabilities	130,023
Employee payroll deductions	506
Unearned revenues	56,488
Due to other governments	43,010
Due to retirement systems	2,254,657
Accrued interest payable	325,755
Non-current liabilities	
Due within one year	3,413,164
Due in more than one year	151,681,488
Total Liabilities	164,605,823
DEFERRED INFLOWS OF RESOURCES	
Pension related	4,649,839
OPEB related	14,025,633
Total Deferred Inflows of Resources	18,675,472
NET POSITION	
Net investment in capital assets	24,387,983
Restricted	
Debt service	498,505
Tax certiorari	42,176
Retirement contributions	139,095
Special purposes	289,708
Permanent Fund	2,750
Unrestricted	(78,494,795)
Total Net Position	\$ (53,134,578)

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

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Blind Brook - Rye Union Free School District, New York

Statement of Activities
Year Ended June 30, 2021

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 5,815,325	\$ 1,101	\$ 20	\$ -	\$ (5,814,204)
Instruction	46,735,222	586,017	788,885	-	(45,360,320)
Pupil transportation	1,563,802	34,051	-	-	(1,529,751)
Cost of food sales	105,508	94,364	48	-	(11,096)
Other	68,151	-	74,951	-	6,800
Interest	1,280,564	-	-	11,213	(1,269,351)
Total Governmental Activities	\$ 55,568,572	\$ 715,533	\$ 863,904	\$ 11,213	(53,977,922)
General revenues					
Real property taxes					42,670,765
Other tax items					
School tax relief reimbursement					1,351,328
Non-property taxes					
Non-property tax distribution from County					601,198
Unrestricted use of money and property					3,644
Sale of property and compensation for loss					18,252
Unrestricted State aid					3,656,285
Miscellaneous					193,805
Total General Revenues					48,495,277
Change in Net Position					(5,482,645)
Net Position - Beginning, as reported					(47,824,269)
Cumulative Effect of Change in Accounting Principle					172,336
Net Position - Beginning, as restated					(47,651,933)
Net Position - Ending					\$ (53,134,578)

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

Blind Brook - Rye Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2021

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 830,909	\$ 391,293	\$ 887,331
Investments	7,230,102	-	15,300,535
Receivables			
Accounts	67,454	-	-
State and Federal aid	672,562	192,976	-
Due from other governments	155,618	-	-
Due from other funds	582,453	-	782,241
Inventories	-	-	-
Prepaid expenditures	424,319	-	-
Total Assets	<u>\$ 9,963,417</u>	<u>\$ 584,269</u>	<u>\$ 16,970,107</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 112,212	\$ 5,541	\$ 6,568,945
Accrued liabilities	130,023	-	-
Employee payroll deductions	506	-	-
Unearned revenues	14,452	5,575	-
Due to other funds	782,241	573,153	1,484
Due to other governments	43,010	-	-
Due to retirement systems	2,254,657	-	-
Total Liabilities	<u>3,337,101</u>	<u>584,269</u>	<u>6,570,429</u>
Fund balances			
Nonspendable	424,319	-	-
Restricted	549,690	-	10,399,678
Assigned	2,782,033	-	-
Unassigned	2,870,274	-	-
Total Fund Balances	<u>6,626,316</u>	<u>-</u>	<u>10,399,678</u>
Total Liabilities and Fund Balances	<u>\$ 9,963,417</u>	<u>\$ 584,269</u>	<u>\$ 16,970,107</u>

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 298,386	\$ 2,407,919
599,259	23,129,896
-	67,454
-	865,538
-	155,618
1,484	1,366,178
5,112	5,112
-	424,319
<u>\$ 904,241</u>	<u>\$ 28,422,034</u>

\$ 14,034	\$ 6,700,732
-	130,023
-	506
36,461	56,488
9,300	1,366,178
-	43,010
-	2,254,657
<u>59,795</u>	<u>10,551,594</u>

6,112	430,431
789,963	11,739,331
48,371	2,830,404
-	2,870,274
<u>844,446</u>	<u>17,870,440</u>

<u>\$ 904,241</u>	<u>\$ 28,422,034</u>
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Blind Brook - Rye Union Free School District, New York

**Reconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2021**

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Fund Balances - Total Governmental Funds	\$ 17,870,440
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	34,804,405
Capital assets - depreciable	57,230,787
Accumulated depreciation	<u>(26,696,718)</u>
	65,338,474
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension and post employment benefit obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred outflows - pension related	13,704,201
Deferred outflows - OPEB related	24,022,815
Deferred inflows - pension related	(4,649,839)
Deferred inflows - OPEB related	<u>(14,025,633)</u>
	19,051,544
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(325,755)
General obligation bonds payable	(52,580,000)
Energy performance contract payable	(2,086,178)
Installment purchase	(174,455)
Compensated absences	(407,368)
Net pension liability - ERS	(10,044)
Net pension liability - TRS	(3,224,990)
Retirement incentive payable	(220,000)
Total OPEB Liability	<u>(95,666,710)</u>
	(154,695,500)
Governmental funds report the effect of premiums, discounts, and refundings similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	25,371
Premium on general obligation bonds	<u>(724,907)</u>
	(699,536)
Net Position of Governmental Activities	<u>\$ (53,134,578)</u>

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

Blind Brook - Rye Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 42,670,765	\$ -	\$ -
Other tax items	1,351,328	-	-
Non-property taxes	601,198	-	-
Charges for services	620,068	-	-
Use of money and property	4,765	-	-
Sale of property and compensation for loss	18,252	-	-
State aid	3,766,801	85,681	-
Federal aid	42,101	437,047	-
Food sales	-	-	-
Miscellaneous	193,805	-	-
Total Revenues	49,269,083	522,728	-
EXPENDITURES			
Current			
General support	4,635,760	-	-
Instruction	26,991,486	544,148	-
Pupil transportation	1,322,827	-	-
Employee benefits	9,830,708	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	3,619,467	-	-
Interest	2,038,671	-	-
Capital outlay	-	-	19,621,396
Total Expenditures	48,438,919	544,148	19,621,396
Excess (Deficiency) of Revenues Over Expenditures	830,164	(21,420)	(19,621,396)
OTHER FINANCING SOURCES (USES)			
Installment purchase debt issued	-	-	219,159
Transfers in	200,000	21,420	-
Transfers out	(21,420)	-	-
Total Other Financing Sources (Uses)	178,580	21,420	219,159
Net Change in Fund Balances	1,008,744	-	(19,402,237)
FUND BALANCES			
Beginning of Year, as restated	5,617,572	-	29,801,915
End of Year	\$ 6,626,316	\$ -	\$ 10,399,678

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 42,670,765
-	1,351,328
-	601,198
-	620,068
11,317	16,082
-	18,252
-	3,852,482
-	479,148
94,364	94,364
188,435	382,240
<u>294,116</u>	<u>50,085,927</u>
-	4,635,760
93,928	27,629,562
-	1,322,827
-	9,830,708
105,508	105,508
68,151	68,151
-	3,619,467
-	2,038,671
-	19,621,396
<u>267,587</u>	<u>68,872,050</u>
<u>26,529</u>	<u>(18,786,123)</u>
-	219,159
-	221,420
(200,000)	(221,420)
<u>(200,000)</u>	<u>219,159</u>
(173,471)	(18,566,964)
<u>1,017,917</u>	<u>36,437,404</u>
<u>\$ 844,446</u>	<u>\$ 17,870,440</u>

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Blind Brook - Rye Union Free School District, New York**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended June 30, 2021**

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (18,566,964)</u>
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures	19,870,828
Depreciation expense	<u>(1,132,706)</u>

	<u>18,738,122</u>
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Installment purchase debt issued	(219,159)
Principal paid on serial bonds	3,380,000
Principal paid on energy performance contract debt	194,763
Principal paid on installment purchase debt	<u>44,704</u>

	<u>3,400,308</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	548,299
Compensated absences	(20,181)
Retirement incentive payable	55,000
Changes in pension liabilities and related deferred outflows and inflows of resources	(2,259,093)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(7,587,944)
Amortization of loss on refunding bonds and issuance premium	<u>209,808</u>

	<u>(9,054,111)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (5,482,645)</u></u>
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The notes to financial statements are an integral part of this statement.

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Blind Brook - Rye Union Free School District, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 42,690,925	\$ 42,690,925	\$ 42,670,765	\$ (20,160)
Other tax items	1,351,328	1,351,328	1,351,328	-
Non-property taxes	450,000	450,000	601,198	151,198
Charges for services	765,000	765,000	620,068	(144,932)
Use of money and property	257,500	257,500	4,765	(252,735)
Sale of property and compensation for loss	-	-	18,252	18,252
State aid	2,999,764	2,999,764	3,766,801	767,037
Federal aid	-	-	42,101	42,101
Miscellaneous	91,500	91,500	193,805	102,305
Total Revenues	48,606,017	48,606,017	49,269,083	663,066
EXPENDITURES				
Current				
General support	4,208,219	4,955,130	4,635,760	319,370
Instruction	28,728,403	28,571,937	26,991,486	1,580,451
Pupil transportation	1,561,759	1,406,192	1,322,827	83,365
Community services	1,000	1,000	-	1,000
Employee benefits	10,290,245	9,907,645	9,830,708	76,937
Debt service				
Principal	3,617,548	3,619,468	3,619,467	1
Interest	2,042,874	2,040,954	2,038,671	2,283
Total Expenditures	50,450,048	50,502,326	48,438,919	2,063,407
Excess (Deficiency) of Revenues Over Expenditures	(1,844,031)	(1,896,309)	830,164	2,726,473
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	200,000	200,000	-
Transfers out	(39,020)	(39,020)	(21,420)	17,600
Total Other Financing Sources	160,980	160,980	178,580	17,600
Net Change in Fund Balance	(1,683,051)	(1,735,329)	1,008,744	2,744,073
FUND BALANCE				
Beginning of Year	1,683,051	1,735,329	5,617,572	3,882,243
End of Year	\$ -	\$ -	\$ 6,626,316	\$ 6,626,316

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

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Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements
June 30, 2021

Note 1 - Summary of Significant Accounting Policies

The Blind Brook - Rye Union Free School District, New York ("School District"), as presently constituted, was established in 1950 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District's significant accounting policies are described below:

A. Financial Reporting Entity

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

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the School District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The School District participates in the Southern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating district's governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statement can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the School District as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are

Note 1 - Summary of Significant Accounting Policies (Continued)

clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

While separate district-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental and fiduciary funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the School District's major governmental funds.

General Fund - The General Fund constitutes the primary fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

whole or in part with Federal or State funds. The major revenues of this fund are Federal and State aid.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The School District also reports the following non-major governmental funds:

Special Revenue Funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the lunch program of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activity funds.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

Permanent Fund - The Permanent Fund is used to account for assets that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs.

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*," the School District had no such activity to report in this fund category.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liabilities, and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3

Note 1 - Summary of Significant Accounting Policies (Continued)

inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The School District participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30th.

The School District's position in the pool at June 30, 2021 is \$12,604,838 and is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17th Street, Suite 1850, Denver, CO 80202.

The School District also participates in the New York Liquid Assets Fund ("NYLAF"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. NYLAF has designated RBC Global Asset Management, Inc. as its registered investment advisor.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The School District's position in the pool at June 30, 2021 is \$10,525,058 and is equal to the value of the pool shares.

Additional information concerning the NYLAF is presented in the annual report, which may be obtained from the Governing Board c/o PMA Financial Network, 2135 City Gate Lane, 7th Floor, Naperville, IL 60563.

CLASS and NYLAF are rated AAAm by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. CLASS and NYLAF invest in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal

Note 1 - Summary of Significant Accounting Policies (Continued)

investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2021.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are payable in two installments in September and January. The Town of Rye, New York ("Town") is responsible for the billing and collection of the taxes. The Town guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenses/expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of surplus food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

district-wide and fund financial statements. Prepaid expenses/expenditures consists of insurance costs and other charges for services, which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent years budget and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Machinery and Equipment	5-15

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the district-wide financial statements, unearned revenues consist of revenue received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$14,452 in the General Fund for tuition paid in advance, \$5,575 in the Special Aid Fund for federal aid received in advance and \$36,461 for meal purchases paid in advance in the School Lunch Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Note 1 - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The School District reported deferred amounts on refunding bonds resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The School District has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3D.

Long-Term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68"*.

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position – Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the School District includes restricted for debt service, tax certiorari, retirement contributions, special purposes and Permanent Fund.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law or the Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Education is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the School District removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Note 1 - Summary of Significant Accounting Policies (Continued)

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or the Assistant Superintendent of Finance and Facilities for the amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual result could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 7, 2021.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- g) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch, Special Purpose, Debt Service or Permanent funds since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Board of Education.

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount of fund balance to 4% of the ensuing year's budget. The School District is currently in excess of this limit.

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, 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 4% of the prior year's budget or 120% of the consumer price index ("CPI").

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

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation 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.

D. Adoption of Accounting Standard

For the year ended June 30, 2021, the School District implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

E. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84.

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 2 - Stewardship, Compliance and Accountability (Continued)**F. Cumulative Effect of Change in Accounting Principle**

The School District implemented the provisions of GASB Statement No.84, "*Fiduciary Activities*", for the year ended June 30, 2021. Certain amounts previously reported in the School District's Fiduciary Fund are now being reported within the Special Purpose Fund and/or the General Fund. As a result, the School District has reported a cumulative effect of change in accounting principle of \$166,936 to the July 1, 2019 fund balance of the Special Purpose Fund (the earliest year presented). The School District also reported on its Statement of Activities a cumulative effect of change in accounting principle of \$172,336 to the July 1, 2020 net position of governmental activities for this same reason.

Note 3 - Detailed Notes on All Funds**A. Interfund Receivables/Payables**

The composition of due from/to other funds at June 30, 2021 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 582,453	\$ 782,241
Special Aid	-	573,153
Capital Projects	782,241	1,484
Non-Major Governmental	1,484	9,300
	<u>\$ 1,366,178</u>	<u>\$ 1,366,178</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

B. Capital Assets

Changes in the School District's capital assets are as follows:

<u>Class</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Capital Assets, not being depreciated:				
Land	\$ 985,788	\$ -	\$ -	\$ 985,788
Construction-in-progress	14,416,380	19,402,237	-	33,818,617
Total Capital Assets, not being depreciated	<u>\$ 15,402,168</u>	<u>\$ 19,402,237</u>	<u>\$ -</u>	<u>\$ 34,804,405</u>

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 54,818,754	\$ -	\$ -	\$ 54,818,754
Machinery and Equipment	2,165,544	468,591	222,102	2,412,033
Total Capital Assets, being depreciated	56,984,298	468,591	222,102	57,230,787
Less Accumulated Depreciation for:				
Buildings and Improvements	24,049,966	1,024,934	-	25,074,900
Machinery and Equipment	1,736,148	107,772	222,102	1,621,818
Total Accumulated Depreciation	25,786,114	1,132,706	222,102	26,696,718
Total Capital Assets, being depreciated, net	\$ 31,198,184	\$ (664,115)	\$ -	\$ 30,534,069
Capital Assets, net	\$ 46,600,352	\$ 18,738,122	\$ -	\$ 65,338,474

Depreciation expense was charged to School District functions and programs as follows:

General support	\$ 10,020
Instruction	1,071,545
Pupil transportation	51,141
Total Depreciation Expense	\$ 1,132,706

C. Accrued Liabilities

Accrued liabilities at June 30, 2021 were as follows:

	General Fund
Payroll and Employee Benefits	\$ 130,023

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2021:

	Balance, July 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2021	Due Within One-Year
General Obligation Bonds Payable:					
Capital Construction	\$ 51,580,000	\$ -	\$ 3,190,000	\$ 48,390,000	\$ 2,880,000
Judgments and Claims	4,380,000	-	190,000	4,190,000	195,000
	55,960,000	-	3,380,000	52,580,000	3,075,000
Plus - Unamortized Premium on Bonds	958,344	-	233,437	724,907	-
	56,918,344	-	3,613,437	53,304,907	3,075,000

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued) June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	Balance, July 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2021	Due Within One-Year
Energy Performance					
Contract Payable	\$ 2,280,941	\$ -	\$ 194,763	\$ 2,086,178	\$ 199,195
Installment Purchase Debt	-	219,159	44,704	174,455	42,969
Other Non-current Liabilities:					
Compensated Absences	387,187	22,936	2,755	407,368	41,000
Net Pension Liability - ERS	2,710,508	-	2,700,464	10,044	-
Net Pension Liability (Asset) - TRS	(3,067,407)	6,292,397	-	3,224,990	-
Retirement Incentive Payable	275,000	-	55,000	220,000	55,000
Other Postemployment Benefit Liability	92,688,944	4,635,620	1,657,854	95,666,710	-
Total Other Non- Current Liabilities	92,994,232	10,950,953	4,416,073	99,529,112	96,000
Total Long-Term Liabilities	\$ 152,193,517	\$ 11,170,112	\$ 8,268,977	\$ 155,094,652	\$ 3,413,164

Each governmental fund's liability for general obligation bonds payable, energy performance contract payable, installment purchase debt, compensated absences, net pension liability, retirement incentive payable and other postemployment benefit liability is liquidated by the General Fund.

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2021 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2021
Refunding Bonds	2014	\$ 10,085,000	November, 2025	5.00%	\$ 5,205,000
Tax Certiorari	2018	4,752,354	February, 2038	3.00-3.250%	4,190,000
District-Wide Reconstruction	2019	44,665,000	October, 2039	2.250-2.50%	43,185,000
					<u>\$ 52,580,000</u>

Interest expenditures of \$1,988,153 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,230,837 was recorded in the district-wide financial statements.

Energy Performance Contract Payable

The School District, in January 2015, entered into a \$3,070,767 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provide for repayment over fifteen years, with semi-annual installments of \$122,641, including interest, through July 2030. Payments include interest at 2.26%. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The balance due at June 30, 2021 was \$2,086,178.

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$50,518 were recorded in the fund financial statements in the General Fund. Interest expense of \$48,498 was recorded in the district-wide financial statements.

Installment Purchase Debt

The School District has entered into an agreement to acquire school buses under an installment purchase agreement for \$219,159. The annual payments include interest at 0.99%. The balance due at June 30, 2021 was \$174,455.

Interest expenditures of \$0 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,229 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded, energy performance contract and installment purchase debt outstanding as of June 30, 2021 including interest payments of \$12,432,063 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract		Installment Purchase Debt		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 3,075,000	\$ 1,341,807	\$ 199,195	\$ 46,086	\$ 42,969	\$ 1,735	\$ 3,317,164	\$ 1,389,628
2023	3,150,000	1,243,763	203,728	41,553	43,396	1,308	3,397,124	1,286,624
2024	3,235,000	1,142,575	208,364	36,917	43,828	876	3,487,192	1,180,368
2025	3,320,000	1,038,063	213,106	32,176	44,262	440	3,577,368	1,070,679
2026	3,405,000	930,225	217,955	27,326	-	-	3,622,955	957,551
2027-2031	11,965,000	3,694,558	1,043,830	59,936	-	-	13,008,830	3,754,494
2032-2036	13,285,000	2,229,986	-	-	-	-	13,285,000	2,229,986
2037-2040	11,145,000	562,733	-	-	-	-	11,145,000	562,733
	<u>\$ 52,580,000</u>	<u>\$ 12,183,710</u>	<u>\$ 2,086,178</u>	<u>\$ 243,994</u>	<u>\$ 174,455</u>	<u>\$ 4,359</u>	<u>\$ 54,840,633</u>	<u>\$ 12,432,063</u>

The above general obligation bonds, energy performance contract and installment purchase debt are direct borrowings of the School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the School District.

Legal Debt Margin

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property.

Compensated Absences

Under the terms of existing collective bargaining agreements, the School District is required to compensate its employees for accumulated vacation and sick time which does not exceed limits stated in the respective agreements. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plans

New York State and Local Retirement System and Teachers' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2021 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	16.1 %
	5 A15	13.4
	6 A15	9.6
TRS	1-6	9.53 %

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2021, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	\$ 10,044	\$ 3,224,990
School Districts' proportion of the net pension liability	0.0100865 %	0.116709 %
Change in proportion since the prior measurement date	(0.0001493) %	(0.001359) %

The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS and the total pension liability used to calculate the net pension liability were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2021, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$4,720,063 (\$306,805 for ERS and \$4,413,258 for TRS). Pension expenditures for ERS of \$521,567 and \$1,939,403 for TRS were recorded in the fund financial statements in the General Fund.

At June 30, 2021, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>	<u>ERS</u>	<u>TRS</u>	<u>TRS</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 122,659	\$ -	\$ 2,825,736	\$ 165,275
Changes of assumptions	1,846,681	34,829	4,078,861	1,453,901
Net difference between projected and actual earnings on pension plan investments	-	2,885,093	2,106,201	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	174,660	41,259	429,914	69,482
School District contributions subsequent to the measurement date	158,231	-	1,961,258	-
	<u>\$ 2,302,231</u>	<u>\$ 2,961,181</u>	<u>\$ 11,401,970</u>	<u>\$ 1,688,658</u>

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,948,395	\$ 165,275
Changes of assumptions	5,925,542	1,488,730
Net difference between projected and actual earnings on pension plan investments	2,106,201	2,885,093
Changes in proportion and differences between School District contributions and proportionate share of contributions	604,574	110,741
School District contributions subsequent to the measurement date	2,119,489	-
	<u>\$ 13,704,201</u>	<u>\$ 4,649,839</u>

\$158,231 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2022. The \$1,961,258 reported as deferred outflows of resources related to TRS will be recognized as a decrease of the net pension liability in the plan's year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2021	\$ -	\$ 1,328,625
2022	(118,306)	2,608,380
2023	(27,823)	2,171,066
2024	(129,461)	1,376,178
2025	(541,591)	103,036
Thereafter	-	164,769
	<u>\$ (817,181)</u>	<u>\$ 7,752,054</u>

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Investment rate of return	5.9% *	7.1% *
Salary scale	4.4%	1.90%-4.72%
Inflation rate	2.7%	2.2%
Cost of living adjustments	1.4%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2019, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

For ERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Type	ERS March 31, 2021		TRS June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %	33 %	7.1 %
International Equity	15	6.30	16	7.7
Private Equity	10	6.75	8	10.4
Real Estate	9	4.95	11	6.8
Domestic Fixed Income Securities	-	-	16	1.8
Global Fixed Income Securities	-	-	2	1.0
High Yield Fixed Income Securities	-	-	1	3.9
Global Equities	-	-	4	7.4
Private Debt	-	-	1	5.2
Real Estate Debt	-	-	7	3.6
Opportunistic/ARS Portfolio	3	4.50	-	-
Credit	4	3.63	-	-
Real Assets	3	5.95	-	-
Fixed Income	23	0.00	-	-
Cash	1	0.50	1	0.7
	<u>100 %</u>		<u>100 %</u>	

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The real rate of return is net of the long-term inflation assumption of 2.7% for ERS and 2.2% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 6.1% for TRS) or 1 percentage point higher (6.9% for ERS and 8.1% for TRS) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,787,695</u>	<u>\$ 10,044</u>	<u>\$ (2,551,601)</u>
	1% Decrease (6.1%)	Current Discount Rate (7.1%)	1% Increase (8.1%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 20,371,148</u>	<u>\$ 3,224,990</u>	<u>\$ (11,164,982)</u>

The components of the collective net pension liability (asset) as of the March 31, 2021 ERS measurement date and the June 30, 2020 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	<u>\$ 220,680,157,000</u>	<u>\$ 123,242,776,215</u>
Fiduciary net position	<u>220,580,583,000</u>	<u>120,479,505,380</u>
Employers' net pension liability	<u>\$ 99,574,000</u>	<u>\$ 2,763,270,835</u>
Fiduciary net position as a percentage of total pension liability	<u>99.95%</u>	<u>97.76%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Employer and employee contributions for the year ended June 30, 2021 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2021 were \$158,231 to ERS and \$2,096,426 to TRS (including employee contributions of \$135,168).

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Retirement Incentive Payable

In a prior year, the School District entered into a retirement incentive agreement with an employee. The School District agreed to provide for forty quarterly payments of \$13,750 commencing in July, 2015. The balance due at June 30, 2021 is \$220,000.

Other Postemployment Benefit Liability ("OPEB")

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing postemployment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	114
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>209</u>
	<u><u>323</u></u>

The School District's total OPEB liability of \$95,666,710 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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

Inflation	2.50%
Salary increases	Varied by years of service and retirement system
Discount rate	2.16%
Healthcare cost trend rates	5.4% for 2021 decreasing to an ultimate rate of 4.04% by 2075
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

The discount rate was set equal to the yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA or higher.

Mortality rates were based on Pub-2010 Teachers and General Employees Headcount-Weighted table projections fully generationally using MP-2020.

The School District's change in the total OPEB liability for the year ended June 30, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 92,688,944
Service cost	5,101,442
Interest	2,142,948
Changes of benefit terms	-
Differences between expected and actual experience	(2,071,522)
Changes of assumptions or other inputs	(537,248)
Benefit payments	<u>(1,657,854)</u>
Total OPEB Liability - End of Year	<u>\$ 95,666,710</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	<u>\$ 115,940,192</u>	<u>\$ 95,666,710</u>	<u>\$ 79,805,501</u>

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.40% decreasing to 3.04%) or 1 percentage point higher (6.40% decreasing to 5.04%) than the current healthcare cost trend rates:

	1% Decrease (4.40% decreasing to 3.04%)	Current Healthcare Cost Trend Rates (5.40% decreasing to 4.04%)	1% Increase (6.40% decreasing to 5.04%)
Total OPEB Liability	<u>\$ 76,442,267</u>	<u>\$ 95,666,710</u>	<u>\$ 121,599,249</u>

For the year ended June 30, 2021, the School District recognized OPEB expense of \$9,245,798 in the district-wide financial statements. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 24,022,815	\$ 2,325,260
Differences between expected and actual experience	-	11,700,373
	<u>\$ 24,022,815</u>	<u>\$ 14,025,633</u>

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

Year Ended June 30,	
2022	\$ 2,001,408
2023	2,001,408
2024	2,001,408
2025	2,001,408
2026	2,001,405
Thereafter	(9,855)
	<u>\$ 9,997,182</u>

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

E. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	
General Fund	\$ -	\$ 21,420	\$ 21,420
Non-Major Governmental	200,000	-	200,000
	<u>\$ 200,000</u>	<u>\$ 21,420</u>	<u>\$ 221,420</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Special Aid Fund expenditures and 2) move funds from the Debt Service Fund to the General Fund to satisfy debt service obligations.

F. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities of the Debt Service Fund with constraints placed on their use by Local Finance Law.

Restricted for Tax Certiorari - the component of net position that has been established in accordance with the Education Law of the State of New York to provide funding for court ordered tax refunds which are currently in process.

Restricted for Retirement Contributions - the component of net position that reports the amounts set aside to be used for ERS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for Special Purposes - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Permanent Fund - the component of net position that reports the difference between assets and liabilities of the non-expendable trust with constraints placed on their use by external parties.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	2021				2020			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:								
Inventories	\$ -	\$ -	\$ 5,112	\$ 5,112	\$ -	\$ -	\$ 8,717	\$ 8,717
Prepaid expenditures	424,319	-	-	424,319	420,707	-	-	420,707
Permanent Fund	-	-	1,000	1,000	-	-	1,000	1,000
Total Nonspendable	424,319	-	6,112	430,431	420,707	-	9,717	430,424
Restricted:								
Tax certiorari	42,176	-	-	42,176	42,155	-	-	42,155
Employee benefit accrued liability	368,419	-	-	368,419	359,672	-	-	359,672
Retirement contributions	139,095	-	-	139,095	139,095	-	-	139,095
Retirement contributions - for subsequent year's expenditures	-	-	-	-	100,000	-	-	100,000
Capital projects	-	10,399,678	-	10,399,678	-	29,801,915	-	29,801,915
Special purpose (1)	-	-	289,708	289,708	-	-	263,246	263,246
Debt service	-	-	498,505	498,505	-	-	487,292	487,292
Debt service - for subsequent years' expenditures	-	-	-	-	-	-	200,000	200,000
Permanent fund	-	-	1,750	1,750	-	-	1,800	1,800
Total Restricted	549,690	10,399,678	789,963	11,739,331	640,922	29,801,915	952,338	31,395,175
Assigned:								
Purchases on order	7,337	-	-	7,337	10,593	-	-	10,593
General government support	170,047	-	-	170,047	22,458	-	-	22,458
Instruction	177,384	-	-	177,384	33,051	-	-	33,051
For subsequent year's expenditures -								
General Fund	2,604,649	-	-	2,604,649	1,550,000	-	-	1,550,000
School Lunch Fund	-	-	48,371	48,371	-	-	55,862	55,862
Total Assigned	2,782,033	-	48,371	2,830,404	1,583,051	-	55,862	1,638,913
Unassigned	2,870,274	-	-	2,870,274	2,972,892	-	-	2,972,892
Total Fund Balances (Deficits)	\$ 8,626,316	\$ 10,399,678	\$ 844,446	\$ 17,870,440	\$ 5,617,572	\$ 29,801,915	\$ 1,017,917	\$ 36,437,404

(1) Balance at June 30, 2020 restated for the implementation of GASB Statement No. 84, "Fiduciary Activities".

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Prepaid Expenditures represents health insurance payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

The corpus of the Permanent Fund has been classified as nonspendable to indicate the portion of the trust with constraints placed on its use by external parties.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6-p of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Purchases on order are assigned and represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at June 30, 2021, the Board of Education has assigned the above amounts to be appropriated for the ensuing year's budget.

Assigned for School Lunch Fund represents the component of fund balance that reports the difference between assets and liabilities in the School Lunch Fund.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. Counsel estimates these possible refunds can range from \$325,000 to \$535,000. Any payments resulting from adverse decisions will be funded in the year the payment is made.

The School District has received a notice of claim by its former construction management company which has demanded payment of approximately \$300,000. The School District has denied the claim and alleges it has overpaid by an amount in excess of the amount demanded. This matter is still pre-litigation. While the School District has a strong argument in support of its position, it is not possible to express an opinion as to the outcome of this matter.

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

B. Contingencies

The School District participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

C. Risk Management

The School District and other school districts have formed a reciprocal insurance company to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The School District purchases various insurance coverages to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million, an umbrella liability policy with coverage of \$15 million and liability coverage for school board members up to \$1 million.

The School District and neighboring school districts in Southern Westchester County, participate in the Southern Westchester Schools Cooperative Self-Insurance Plan for Workers' Compensation. The purpose of the Plan is to provide efficient and economical evaluation, processing, administration, defense and payment of claims against plan members for workers' compensation and to provide for risk management to reduce future liability for workers' compensation and employers' liability payments. The Plan is managed and governed by a Board of Trustees comprised of a representative from each district. Billings are based upon participants' experience rating and payroll reported for the prior year. The School District has transferred all related risk to the Plan.

Health benefits are provided to employees through the New York State Health Insurance Program. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Concluded)
June 30, 2021

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 87, "Leases", as amended by GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Note 6 - Subsequent Events

Construction Commitments

The School District has active construction projects as of June 30, 2021. The projects include additions and improvements at the Bruno M. Ponterio Ridge Street School and at the Middle/High School campus. At June 30, 2021, expenditures for these projects aggregated \$34,300,322 and are recorded in the Capital Projects Fund. Based on the \$44,700,000 voter authorization for these projects, \$10,399,678 remains to be spent on these projects at June 30, 2021. These amounts exclude \$782,241 of certain incidental costs that were charged to General Fund expenditures in the current year.

Due to certain issues and conditions that have occurred throughout the course of these projects necessitating numerous change orders, the School District anticipates the remaining commitments to contractors to exceed the originally authorized amount. The level of additional spending is currently being evaluated by the School District together with the construction specialists working on the project. The School District intends to seek voter approval to increase the project's authorization or explore other cost reduction strategies.

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Blind Brook - Rye Union Free School District, New York

Required Supplementary Information - Schedule of Changes in the
School District's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1) (2)

	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	\$ 5,101,442	\$ 3,931,264	\$ 2,233,299	\$ 2,317,944
Interest	2,142,948	2,933,472	2,503,173	2,236,290
Changes of benefit terms	-	-	(310,774)	-
Differences between expected and actual experience	(2,071,522)	(12,154,764)	(1,234,751)	-
Changes of assumptions or other inputs	(537,248) (5)	19,109,345 (4)	15,505,292	(3,157,712)
Benefit payments	(1,657,854)	(1,534,367)	(1,466,908)	(1,376,099)
Net Change in Total OPEB Liability	2,977,766	12,284,950	17,229,331	20,423
Total OPEB Liability – Beginning of Year	92,688,944	80,403,994	63,174,663	63,154,240 (3)
Total OPEB Liability – End of Year	<u>\$ 95,666,710</u>	<u>\$ 92,688,944</u>	<u>\$ 80,403,994</u>	<u>\$ 63,174,663</u>
School District's covered-employee payroll	<u>\$ 22,270,573</u>	<u>\$ 25,017,059</u>	<u>\$ 24,744,248</u>	<u>\$ 24,482,203</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>429.57%</u>	<u>370.50%</u>	<u>324.94%</u>	<u>258.04%</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) Discount rate decreased from 3.51% to 2.21% in 2020.

(5) Discount rate decreased from 2.21% to 2.16% in 2021.

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

Required Supplementary Information
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)							
	2021 (6)	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	0.116709%	0.118068%	0.121176%	0.125340%	0.124916%	0.122283%	0.124797%
School District's proportionate share of the net pension liability (asset)	\$ 3,224,990	\$ (3,067,407)	\$ (2,191,185)	\$ (952,709)	\$ 1,337,899	\$ (12,701,354)	\$ (13,901,646)
School District's covered payroll	\$ 20,055,687	\$ 19,858,267	\$ 19,615,220	\$ 19,788,608	\$ 19,509,451	\$ 18,719,625	\$ 18,434,511
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	16.08%	(15.45%)	(11.17%)	(4.81%)	6.86%	(67.85%)	(75.41%)
Plan fiduciary net position as a percentage of the total pension liability	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%
Schedule of Contributions							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,961,258	\$ 1,776,934	\$ 2,108,948	\$ 1,922,292	\$ 2,319,225	\$ 2,586,952	\$ 3,281,550
Contributions in relation to the contractually required contribution	(1,961,258)	(1,776,934)	(2,108,948)	(1,922,292)	(2,319,225)	(2,586,952)	(3,281,550)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 20,579,827	\$ 20,055,687	\$ 19,858,267	\$ 19,615,220	\$ 19,788,608	\$ 19,509,451	\$ 18,719,625
Contributions as a percentage of covered payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

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

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

(5) The discount rate used to calculate the total pension liability was decreased from 7.25% to 7.1% effective with the June 30, 2019 measurement date.

(6) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

Required Supplementary Information
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (2)						
	2021 (6)	2020 (4)(5)	2019	2018	2017	2016 (3)
School District's proportion of the net pension liability	0.0100865%	0.0102358%	0.0104456%	0.0113619%	0.0108352%	0.0107325%
School District's proportionate share of the net pension liability	\$ 10,044	\$ 2,710,508	\$ 740,105	\$ 366,698	\$ 1,018,104	\$ 1,722,595
School District's covered payroll	\$ 3,685,860	\$ 3,732,188	\$ 3,540,471	\$ 3,520,857	\$ 3,610,534	\$ 3,589,864
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.27%	72.63%	20.90%	10.42%	28.20%	47.98%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%
						11.14%
						97.90%

Schedule of Contributions						
	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 502,632	483,800	\$ 485,598	\$ 515,077	\$ 521,470	\$ 575,684
Contributions in relation to the contractually required contribution	(502,632)	(483,800)	(485,598)	(515,077)	(521,470)	(575,684)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 3,743,386	\$ 3,776,720	\$ 3,550,692	\$ 3,492,465	\$ 3,633,575	\$ 3,555,324
Contributions as a percentage of covered payroll	13.43%	12.81%	13.68%	14.75%	14.35%	16.19%
						16.27%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

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

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

(5) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.
(6) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.

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Blind Brook - Rye Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	\$ 830,909	\$ 187,660
Investments	7,230,102	6,427,097
Receivables		
Accounts	67,454	24,084
State and Federal aid	672,562	292,036
Due from other governments	155,618	102,428
Due from other funds	582,453	552,834
	1,478,087	971,382
Prepaid expenditures	424,319	420,707
Total Assets	<u>\$ 9,963,417</u>	<u>\$ 8,006,846</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 112,212	\$ 198,639
Accrued liabilities	130,023	82,609
Employee payroll deductions	506	-
Unearned revenues	14,452	35,225
Due to other funds	782,241	-
Due to other governments	43,010	43,010
Due to retirement systems	2,254,657	2,029,791
Total Liabilities	3,337,101	2,389,274
Fund balance		
Nonspendable	424,319	420,707
Restricted	549,690	640,922
Assigned	2,782,033	1,583,051
Unassigned	2,870,274	2,972,892
Total Fund Balance	6,626,316	5,617,572
Total Liabilities and Fund Balance	<u>\$ 9,963,417</u>	<u>\$ 8,006,846</u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

General Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2021				
	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 42,690,925	\$ 42,690,925	\$ 42,670,765	\$	\$ (20,160)
Other tax items	1,351,328	1,351,328	1,351,328		-
Non-property taxes	450,000	450,000	601,198		151,198
Charges for services	765,000	765,000	620,068		(144,932)
Use of money and property	257,500	257,500	4,765		(252,735)
Sale of property and compensation for loss	-	-	18,252		18,252
State aid	2,999,764	2,999,764	3,766,801		767,037
Federal aid	-	-	42,101		42,101
Miscellaneous	91,500	91,500	193,805		102,305
Total Revenues	48,606,017	48,606,017	49,269,083		663,066
EXPENDITURES					
Current					
General support					
Board of education	47,491	77,990	43,977	-	34,013
Central administration	370,250	367,168	360,858	200	6,110
Finance	716,933	774,479	740,908	1,380	32,191
Staff	219,067	377,779	351,759	-	26,020
Central services	2,317,126	2,799,362	2,593,215	5,757	200,390
Special items	537,352	558,352	545,043	-	13,309
Total General Support	4,208,219	4,955,130	4,635,760	7,337	312,033
Instruction					
Instruction, administration and improvement	2,817,096	2,888,132	2,755,267	-	132,865
Teaching - Regular school	14,543,821	14,597,787	14,030,062	45,030	522,695
Programs for students with disabilities	6,896,432	6,732,514	6,325,936	-	406,578
Instructional media	1,767,214	1,843,982	1,665,193	122,017	56,772
Pupil services	2,703,840	2,509,522	2,215,028	3,000	291,494
Total Instruction	28,728,403	28,571,937	26,991,486	170,047	1,410,404
Pupil transportation	1,561,759	1,406,192	1,322,827	-	83,365
Community services	1,000	1,000	-	-	1,000
Employee benefits	10,290,245	9,907,645	9,830,708	-	76,937
Debt service					
Principal	3,617,548	3,619,468	3,619,467	-	1
Interest	2,042,874	2,040,954	2,038,671	-	2,283
Total Expenditures	50,450,048	50,502,326	48,438,919	177,384	1,886,023
Excess (Deficiency) of Revenues Over Expenditures	(1,844,031)	(1,896,309)	830,164	(177,384)	2,549,089
OTHER FINANCING SOURCES (USES)					
Transfers in	200,000	200,000	200,000	-	-
Transfers out	(39,020)	(39,020)	(21,420)	-	17,600
Total Other Financing Sources (Uses)	160,980	160,980	178,580	-	17,600
Net Change in Fund Balance	(1,683,051)	(1,735,329)	1,008,744	\$ (177,384)	\$ 2,566,689
FUND BALANCE					
Beginning of Year	1,683,051	1,735,329	5,617,572		
End of Year	\$ -	\$ -	\$ 6,626,316		

See independent auditors' report.

2020				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
\$ 38,601,271	\$ 38,601,271	\$ 38,601,271	\$	\$ -
1,420,380	1,420,380	1,420,380		-
370,000	370,000	494,116		124,116
767,271	767,271	750,385		(16,886)
385,000	385,000	259,927		(125,073)
-	-	40,245		40,245
3,241,799	3,241,799	3,217,614		(24,185)
-	-	-		-
122,400	122,400	89,253		(33,147)
44,908,121	44,908,121	44,873,191		(34,930)
37,450	50,349	44,001	390	5,958
343,999	340,292	324,491	-	15,801
701,730	701,425	669,166	1,340	30,919
226,721	223,209	163,603	-	59,606
2,222,295	2,242,899	1,905,156	8,863	328,880
524,676	524,676	510,986	-	13,690
4,056,871	4,082,850	3,617,403	10,593	454,854
2,646,785	2,653,851	2,462,391	1,174	190,286
14,508,868	14,533,564	14,054,195	8,886	470,483
6,480,167	6,489,847	6,308,359	4,643	176,845
1,596,237	1,596,749	1,515,027	1,542	80,180
2,623,644	2,631,144	2,128,805	6,213	496,126
27,855,701	27,905,155	26,468,777	22,458	1,413,920
1,494,408	1,504,685	1,099,261	-	405,424
1,000	1,000	-	-	1,000
10,107,443	10,099,943	9,479,167	-	620,776
2,091,430	2,050,430	2,050,430	-	-
670,998	690,413	690,413	-	-
46,277,851	46,334,476	43,405,451	33,051	2,895,974
(1,369,730)	(1,426,355)	1,467,740	(33,051)	2,861,044
50,000	50,000	54,064	-	4,064
(40,223)	(290,067)	(273,842)	-	16,225
9,777	(240,067)	(219,778)	-	20,289
(1,359,953)	(1,666,422)	1,247,962	\$ (33,051)	\$ 2,881,333
1,359,953	1,666,422	4,369,610		
\$ -	\$ -	\$ 5,617,572		

Blind Brook - Rye Union Free School District, New York

General Fund

**Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 42,690,925	\$ 42,690,925	\$ 42,670,765	\$ (20,160)
OTHER TAX ITEMS				
School tax relief reimbursement	1,351,328	1,351,328	1,351,328	-
NON-PROPERTY TAXES				
Non-property tax distribution from County	450,000	450,000	601,198	151,198
CHARGES FOR SERVICES				
Day school tuition	450,000	450,000	322,172	(127,828)
Other services for other districts and other governments	300,000	300,000	263,845	(36,155)
Transportation for other districts	15,000	15,000	34,051	19,051
USE OF MONEY AND PROPERTY				
Earnings on investments	765,000	765,000	620,068	(144,932)
Rental of real property	65,000	65,000	3,664	(61,336)
	192,500	192,500	1,101	(191,399)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	257,500	257,500	4,765	(252,735)
Other	-	-	17,105	17,105
	-	-	1,147	1,147
	-	-	18,252	18,252

STATE AID					
Basic formula					87,314
Lottery	2,999,764	2,999,764	3,087,078		128,006
BOCES	-	-	128,006		441,201
Textbooks	-	-	441,201		84,579
Computer software	-	-	84,579		20,553
Library materials	-	-	20,553		5,384
	-	-	5,384		
	<u>2,999,764</u>	<u>2,999,764</u>	<u>3,766,801</u>		<u>767,037</u>
FEDERAL AID					
Elementary and Secondary School Emergency Relief Fund (CARES)	-	-	36,000		36,000
Governor's Emergency Relief Fund (CARES)	-	-	6,101		6,101
	<u>-</u>	<u>-</u>	<u>42,101</u>		<u>42,101</u>
MISCELLANEOUS					
Refund of prior year's expenditures	56,000	56,000	145,696		89,696
Other	35,500	35,500	48,109		12,609
	<u>91,500</u>	<u>91,500</u>	<u>193,805</u>		<u>102,305</u>
TOTAL REVENUES	<u>48,606,017</u>	<u>48,606,017</u>	<u>49,269,083</u>		<u>663,066</u>
OTHER FINANCING SOURCES					
Transfers in					-
Debt Service Fund	200,000	200,000	200,000		
	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>		<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 48,806,017</u>	<u>\$ 48,806,017</u>	<u>\$ 49,469,083</u>		<u>\$ 663,066</u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

General Fund

**Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 20,911	\$ 48,410	\$ 17,799	\$ -	\$ 30,611
District clerk	12,700	12,700	12,515	-	185
District meeting	13,880	16,880	13,663	-	3,217
Total Board of Education	47,491	77,990	43,977	-	34,013
CENTRAL ADMINISTRATION					
Chief school administrator	370,250	367,168	360,858	200	6,110
FINANCE					
Business administration	557,933	607,979	587,363	1,380	19,236
Auditing	35,000	42,500	35,000	-	7,500
Treasurer	120,000	120,000	114,545	-	5,455
Purchasing	4,000	4,000	4,000	-	-
Total Finance	716,933	774,479	740,908	1,380	32,191
STAFF					
Legal	150,000	313,000	305,543	-	7,457
Personnel	23,500	17,500	4,808	-	12,692
Public information and services	45,567	47,279	41,408	-	5,871
Total Staff	219,067	377,779	351,759	-	26,020

CENTRAL SERVICES					
Operation and maintenance of plant	2,299,126	2,781,362	2,581,669	5,757	193,936
Central printing and mailing	18,000	18,000	11,546	-	6,454
Total Central Services	2,317,126	2,799,362	2,593,215	5,757	200,390
SPECIAL ITEMS					
Unallocated insurance	215,635	236,635	235,729	-	906
Assessments on school property	33,627	33,627	21,224	-	12,403
Administrative charge - BOCES	233,090	233,090	233,090	-	-
Other	55,000	55,000	55,000	-	-
Total Special Items	537,352	558,352	545,043	-	13,309
Total General Support	4,208,219	4,955,130	4,635,760	7,337	312,033

INSTRUCTION

INSTRUCTION, ADMINISTRATION AND IMPROVEMENT

Curriculum development and supervision	377,946	456,614	423,280	-	33,334
Supervision - Regular school	2,338,400	2,330,768	2,253,845	-	76,923
In-service training - Instruction	100,750	100,750	78,142	-	22,608
Total Instruction, Administration and Improvement	2,817,096	2,888,132	2,755,267	-	132,865
TEACHING - REGULAR SCHOOL	14,543,821	14,597,787	14,030,062	45,030	522,695
PROGRAMS FOR STUDENTS WITH DISABILITIES	6,896,432	6,732,514	6,325,936	-	406,578

(Continued)

Blind Brook - Rye Union Free School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
INSTRUCTION (Continued)					
INSTRUCTIONAL MEDIA					
School library and audiovisual	\$ 306,556	\$ 304,756	\$ 263,152	\$ -	\$ 41,604
Computer assisted instruction	1,460,658	1,539,226	1,402,041	122,017	15,168
Total Instructional Media	1,767,214	1,843,982	1,665,193	122,017	56,772
PUPIL SERVICES					
Guidance - Regular school	1,050,329	1,048,428	1,018,969	-	29,459
Health and diagnostic services - Regular school	358,882	356,672	259,217	-	97,455
Psychological services - Regular school	298,260	298,046	272,247	-	25,799
Social work services - Regular school	91,229	91,443	91,443	-	-
Co-curricular activities - Regular school	283,138	204,638	156,817	-	47,821
Interscholastic athletics - Regular school	622,002	510,295	416,335	3,000	90,960
Total Pupil Services	2,703,840	2,509,522	2,215,028	3,000	291,494
Total Instruction	28,728,403	28,571,937	26,991,486	170,047	1,410,404
PUPIL TRANSPORTATION					
District transportation services	654,978	645,711	572,549	-	73,162
Contract transportation and garage building	906,781	760,481	750,278	-	10,203
Total Pupil Transportation	1,561,759	1,406,192	1,322,827	-	83,365
COMMUNITY SERVICES					
Civic activities	1,000	1,000	-	-	1,000

EMPLOYEE BENEFITS					
State retirement	575,685	575,685	521,567	-	54,118
Teachers' retirement	2,020,397	1,942,397	1,939,403	-	2,994
Social security	1,924,013	1,842,213	1,840,990	-	1,223
Hospital, medical and dental insurance	5,228,800	5,038,100	5,022,231	-	15,869
Workers' compensation	154,750	154,750	154,517	-	233
Unemployment benefits	25,000	-	-	-	-
Union welfare benefits	361,600	354,500	352,000	-	2,500
Total Employee Benefits	10,290,245	9,907,645	9,830,708	-	76,937
DEBT SERVICE					
Principal					
Serial bonds	3,380,000	3,380,000	3,380,000	-	-
Energy performance contract	194,764	194,764	194,763	-	1
Installment purchase debt	42,784	44,704	44,704	-	-
Interest					
Serial bonds	3,617,548	3,619,468	3,619,467	-	1
Energy performance contract	1,988,154	1,988,154	1,988,153	-	1
Installment purchase debt	50,519	50,519	50,518	-	1
	4,201	2,281	-	-	2,281
Total Debt Service	2,042,874	2,040,954	2,038,671	-	2,283
TOTAL EXPENDITURES	5,660,422	5,660,422	5,658,138	-	2,284
	50,450,048	50,502,326	48,438,919	177,384	1,886,023
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	39,020	39,020	21,420	-	17,600
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 50,489,068	\$ 50,541,346	\$ 48,460,339	\$ 177,384	\$ 1,903,623

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 391,293	\$ 54,360
State and Federal aid receivable	<u>192,976</u>	<u>253,371</u>
Total Assets	<u>\$ 584,269</u>	<u>\$ 307,731</u>
LIABILITIES		
Accounts payable	\$ 5,541	\$ 8,324
Unearned revenues	5,575	24,746
Due to other funds	<u>573,153</u>	<u>274,661</u>
Total Liabilities	<u>\$ 584,269</u>	<u>\$ 307,731</u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York**Special Aid Fund****Comparative Statement of Revenues, Expenditures and****Changes in Fund Balance****Years Ended June 30,**

	<u>2021</u>	<u>2020</u>
REVENUES		
State aid	\$ 85,681	\$ 95,990
Federal aid	<u>437,047</u>	<u>450,709</u>
Total Revenues	522,728	546,699
EXPENDITURES		
Current		
Instruction	<u>544,148</u>	<u>570,697</u>
Deficiency of Revenues Over Expenditures	(21,420)	(23,998)
OTHER FINANCING SOURCES		
Transfers in	<u>21,420</u>	<u>23,998</u>
Net Change in Fund Balance	-	-
FUND BALANCE		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	\$ 887,331	\$ 11,728
Investments	15,300,535	33,688,901
Due from other funds	782,241	-
Total Assets	<u>\$ 16,970,107</u>	<u>\$ 33,700,629</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 6,568,945	\$ 3,336,354
Due to other funds	1,484	562,360
Total Liabilities	6,570,429	3,898,714
Fund balance		
Restricted	10,399,678	29,801,915
Total Liabilities and Fund Balance	<u>\$ 16,970,107</u>	<u>\$ 33,700,629</u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York**Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,**

	<u>2021</u>	<u>2020</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Capital outlay	<u>19,621,396</u>	<u>12,941,994</u>
Deficiency of Revenues Over Expenditures	<u>(19,621,396)</u>	<u>(12,941,994)</u>
OTHER FINANCING SOURCES (USES)		
General obligation bonds issued	-	44,665,000
Installment purchase debt issued	219,159	-
Transfers in	-	249,844
Transfers out	<u>-</u>	<u>(19,064)</u>
Total Other Financing Sources	<u>219,159</u>	<u>44,895,780</u>
Net Change in Fund Balance	(19,402,237)	31,953,786
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>29,801,915</u>	<u>(2,151,871)</u>
End of Year	<u>\$ 10,399,678</u>	<u>\$ 29,801,915</u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2021

PROJECT	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
2017 Bond Proposition					
District-wide Improvements	\$ 44,362,759	\$ 14,560,844	\$ 19,402,237	\$ 33,963,081	\$ 10,399,678
Ridge Street Enrichment Center	337,241	337,241	-	337,241	-
	44,700,000	14,898,085	19,402,237	34,300,322	10,399,678
Completed Projects					
Bus Purchases	219,159	-	219,159	219,159	-
	<u>\$ 44,919,159</u>	<u>\$ 14,898,085</u>	<u>\$ 19,621,396</u>	<u>\$ 34,519,481</u>	<u>\$ 10,399,678</u>

See independent auditors' report.

<u>Method of Financing Proceeds of Obligations</u>	<u>Fund Balance at June 30, 2021</u>
\$ 44,362,759	\$ 10,399,678
337,241	-
44,700,000	10,399,678
219,159	-
<u>\$ 44,919,159</u>	<u>\$ 10,399,678</u>

Blind Brook - Rye Union Free School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021
(With Comparative Totals for 2020)

	School Lunch	Special Purpose	Debt Service
ASSETS			
Cash and equivalents	\$ 8,678	\$ 289,708	\$ -
Investments	99,263	-	497,021
Due from other funds	-	-	1,484
Inventories	5,112	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 113,053</u>	<u>\$ 289,708</u>	<u>\$ 498,505</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 14,034	\$ -	\$ -
Unearned revenues	36,461	-	-
Due to other funds	9,075	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>59,570</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	5,112	-	-
Restricted	-	289,708	498,505
Assigned	48,371	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>53,483</u>	<u>289,708</u>	<u>498,505</u>
Total Liabilities and Fund Balances	<u>\$ 113,053</u>	<u>\$ 289,708</u>	<u>\$ 498,505</u>

See independent auditors' report.

Permanent	Total Non-Major Governmental Funds	
	2021	2020
\$ -	\$ 298,386	\$ 266,419
2,975	599,259	499,676
-	1,484	289,807
-	5,112	8,717
<u>\$ 2,975</u>	<u>\$ 904,241</u>	<u>\$ 1,064,619</u>
\$ -	\$ 14,034	\$ 123
-	36,461	40,959
225	9,300	5,620
<u>225</u>	<u>59,795</u>	<u>46,702</u>
1,000	6,112	9,717
1,750	789,963	952,338
-	48,371	55,862
<u>2,750</u>	<u>844,446</u>	<u>1,017,917</u>
<u>\$ 2,975</u>	<u>\$ 904,241</u>	<u>\$ 1,064,619</u>

Blind Brook - Rye Union Free School District, New York

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2021
(With Comparative Totals for 2020)

	School Lunch	Special Purpose	Debt Service
REVENUES			
Use of money and property	\$ 48	\$ 56	\$ 11,213
Food sales	94,364	-	-
Miscellaneous	-	188,435	-
	<u>-</u>	<u>188,435</u>	<u>-</u>
Total Revenues	<u>94,412</u>	<u>188,491</u>	<u>11,213</u>
EXPENDITURES			
Current			
Instruction	-	93,878	-
Cost of food sales	105,508	-	-
Other	-	68,151	-
	<u>-</u>	<u>68,151</u>	<u>-</u>
Total Expenditures	<u>105,508</u>	<u>162,029</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(11,096)	26,462	11,213
OTHER FINANCING USES			
Transfers out	-	-	(200,000)
	<u>-</u>	<u>-</u>	<u>(200,000)</u>
Net Change in Fund Balance	<u>(11,096)</u>	<u>26,462</u>	<u>(188,787)</u>
FUND BALANCES			
Beginning of Year, as reported	64,579	263,246	687,292
Cumulative Effect of Change in Accounting Principle	-	-	-
	<u>64,579</u>	<u>263,246</u>	<u>687,292</u>
Beginning of Year, as restated	<u>64,579</u>	<u>263,246</u>	<u>687,292</u>
End of Year	<u>\$ 53,483</u>	<u>\$ 289,708</u>	<u>\$ 498,505</u>

See independent auditors' report.

<u>Permanent</u>	<u>Total Non-Major Governmental Funds</u>	
	<u>2021</u>	<u>2020</u>
\$ -	\$ 11,317	\$ 310,586
-	94,364	301,625
-	188,435	155,259
-	294,116	767,470
50	93,928	29,617
-	105,508	349,830
-	68,151	119,137
50	267,587	498,584
(50)	26,529	268,886
-	(200,000)	(35,000)
(50)	(173,471)	233,886
2,800	1,017,917	617,095
-	-	166,936
2,800	1,017,917	784,031
<u>\$ 2,750</u>	<u>\$ 844,446</u>	<u>\$ 1,017,917</u>

Blind Brook - Rye Union Free School District, New York**School Lunch Fund
Comparative Balance Sheet
June 30,**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 8,678	\$ 3,173
Investments	99,263	99,216
Inventories	<u>5,112</u>	<u>8,717</u>
Total Assets	<u><u>\$ 113,053</u></u>	<u><u>\$ 111,106</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 14,034	\$ 123
Unearned revenues	36,461	40,959
Due to other funds	<u>9,075</u>	<u>5,445</u>
Total Liabilities	<u>59,570</u>	<u>46,527</u>
Fund balance		
Nonspendable	5,112	8,717
Assigned	<u>48,371</u>	<u>55,862</u>
Total Fund Balance	<u>53,483</u>	<u>64,579</u>
Total Liabilities and Fund Balance	<u><u>\$ 113,053</u></u>	<u><u>\$ 111,106</u></u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

School Lunch Fund

Comparative Statement of Revenues, Expenditures and

Changes in Fund Balance

Years Ended June 30,

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 48	\$ 1,751
Food sales	94,364	301,625
Miscellaneous	<u>-</u>	<u>155</u>
Total Revenues	94,412	303,531
EXPENDITURES		
Current		
Cost of food sales	<u>105,508</u>	<u>349,830</u>
Deficiency of Revenues Over Expenditures	(11,096)	(46,299)
FUND BALANCE		
Beginning of Year	<u>64,579</u>	<u>110,878</u>
End of Year	<u><u>\$ 53,483</u></u>	<u><u>\$ 64,579</u></u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 289,708</u>	<u>\$ 263,246</u>
FUND BALANCE		
Restricted	<u>\$ 289,708</u>	<u>\$ 263,246</u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

**Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,**

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 56	\$ 421
Miscellaneous	<u>188,435</u>	<u>155,104</u>
Total Revenues	<u>188,491</u>	<u>155,525</u>
EXPENDITURES		
Current		
Instruction	93,878	29,567
Other	<u>68,151</u>	<u>119,137</u>
Total Expenditures	<u>162,029</u>	<u>148,704</u>
Excess of Revenues Over Expenditures	<u>26,462</u>	<u>6,821</u>
FUND BALANCE		
Beginning of Year, as reported	263,246	89,489
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>166,936</u>
Beginning of Year, as restated	<u>263,246</u>	<u>256,425</u>
End of Year	<u>\$ 289,708</u>	<u>\$ 263,246</u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Investments	\$ 497,021	\$ 397,485
Due from other funds	<u>1,484</u>	<u>289,807</u>
Total Assets	<u>\$ 498,505</u>	<u>\$ 687,292</u>
FUND BALANCE		
Restricted	<u>\$ 498,505</u>	<u>\$ 687,292</u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

Debt Service Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 11,213	\$ 308,384
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	11,213	308,384
OTHER FINANCING USES		
Transfers out	<u>(200,000)</u>	<u>(35,000)</u>
Net Change in Fund Balance	(188,787)	273,384
FUND BALANCE		
Beginning of Year	<u>687,292</u>	<u>413,908</u>
End of Year	<u>\$ 498,505</u>	<u>\$ 687,292</u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

Permanent Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Investments	<u>\$ 2,975</u>	<u>\$ 2,975</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	<u>\$ 225</u>	<u>\$ 175</u>
Fund balance		
Nonspendable	1,000	1,000
Restricted	<u>1,750</u>	<u>1,800</u>
Total Fund Balance	<u>2,750</u>	<u>2,800</u>
Total Liabilities and Fund Balance	<u>\$ 2,975</u>	<u>\$ 2,975</u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

Permanent Fund

**Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,**

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ -	\$ 30
EXPENDITURES		
Current		
Instruction	<u>50</u>	<u>50</u>
Deficiency of Revenues Over Expenditures	(50)	(20)
FUND BALANCE		
Beginning of Year	<u>2,800</u>	<u>2,820</u>
End of Year	<u>\$ 2,750</u>	<u>\$ 2,800</u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York**General Fund****Analysis of Change from Adopted Budget to Final Budget****Year Ended June 30, 2021**

Adopted Budget	\$ 50,456,017
Additions - Encumbrances	<u>33,051</u>
Original Budget	50,489,068
Budget Amendments	<u>52,278</u>
Final Budget	<u><u>\$ 50,541,346</u></u>

General Fund**Section 1318 of Real Property Tax Law Limit Calculation****Year Ended June 30, 2021**

2021-2022 Expenditure Budget	\$ <u>51,169,419</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 2,782,033
Unassigned fund balance	<u>2,870,274</u>
Total Unrestricted Fund Balance	<u>5,652,307</u>
Less	
Appropriated for subsequent year's budget	2,604,649
Encumbrances	<u>177,384</u>
Total Adjustments	<u>2,782,033</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,870,274</u></u>
Actual Percentage	<u><u>5.61%</u></u>

See independent auditors' report.

Blind Brook - Rye Union Free School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2021

Capital Assets, net		\$ 65,338,474
Plus		
Unamortized portion of loss on refunding bonds	\$ 25,371	
Unexpended bond proceeds	<u>10,399,678</u>	10,425,049
Less		
General obligation bonds payable - capital construction	(48,390,000)	
Unamortized portion of premium on bonds	(724,907)	
Installment purchase	(174,455)	
Energy performance contract payable	<u>(2,086,178)</u>	<u>(51,375,540)</u>
Net Investment in Capital Assets		<u>\$ 24,387,983</u>

See independent auditors' report.