Port Chester - Rye Union Free School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2022

Port Chester - Rye Union Free School District, New York

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PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

The Board of Education of the
Port Chester - Rye Union Free School District, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Port Chester - Rye Union Free School District, New York ("School District"), as of and for the year ended June 30, 2022, 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.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 Information

Our audit for the year ended June 30, 2022 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 and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal* Awards for the year ended June 30, 2022 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

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, 2021 (not presented herein), and have issued our report thereon dated October 7, 2021 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, 2021 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 related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 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, 2021.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2022 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 6, 2022

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Introduction

Our discussion and analysis of the Port Chester - 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, 2022. To enhance your understanding of the School District's financial performance, it should be read in conjunction with the basic financial statements that immediately follow this section.

Financial Highlights

Key financial highlights for fiscal year 2021-2022 are as follows:

- At the close of the current fiscal year, the School District's General Fund shows an ending fund balance of $14,243,484, a decrease of $5,128 from the prior year.

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget. At the end of the current fiscal year, this amount for the General Fund was $5,039,320, or 4%.

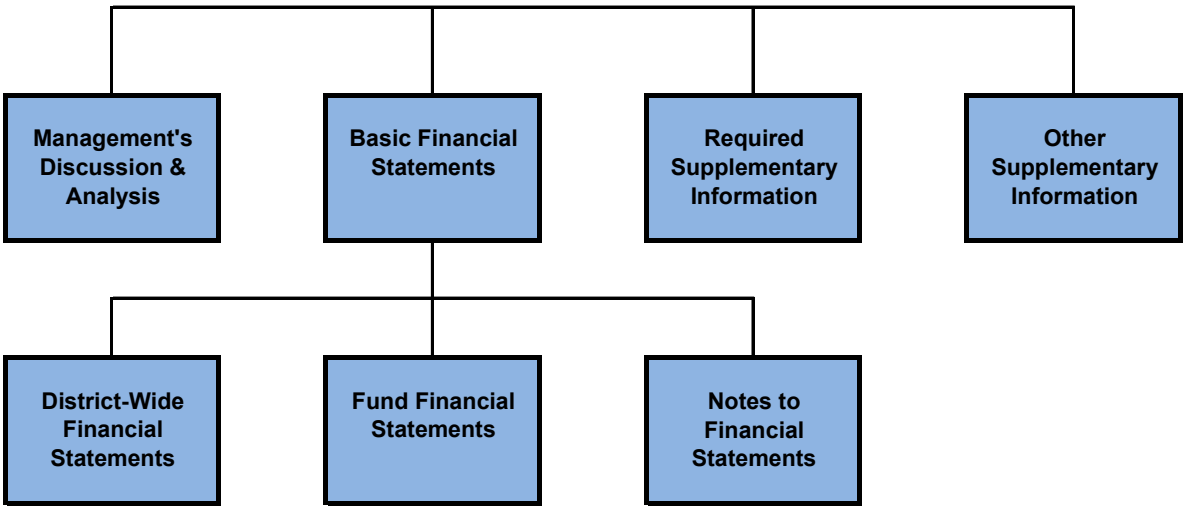
- During the current fiscal year, the School District retired $4,705,000 of serial bonds issued in previous years for various capital projects.

- 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 $56,901,765. This represented an increase of $6,383,709 for the year ended June 30, 2022.

- 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, 2022, the School District had liabilities of $109,192,663 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"). However, because of investment gains by the New York State pension plans, the School District also reported $2,138,213 for its proportionate share of the net pension asset of the New York State and Local Employees' Retirement System ("ERS") and $47,567,006 for its proportionate share of the net pension asset of 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.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements, which are comprised of four components: (1) management's discussion and analysis (MD&A), (2) basic financial statements, (3) required supplementary information and (4) other supplementary information.



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, community services, 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 School District'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, Capital Projects Fund, School Lunch Fund, Special Purpose Fund, Permanent Fund and Debt Service 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 for the General Fund 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, "*Fiduciary Activities*", the School District had no such activity to report in this fund category.

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. In the case of the Port Chester - Rye Union Free School District, New York at the close of the current fiscal year, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $56,901,765.

	June 30, 2022	June 30, 2021
Current Assets	$ 30,591,629	$ 36,168,987
Net Pension Asset	49,705,219	-
Capital Assets, net	112,119,195	107,542,482
Total Assets	192,416,043	143,711,469
Deferred Outflows of Resources	66,997,868	71,795,085
Current Liabilities	9,152,209	7,426,935
Long-term Liabilities	199,227,988	258,819,727
Total Liabilities	208,380,197	266,246,662
Deferred Inflows of Resources	107,935,479	12,545,366
Net Position		
Net Investment in Capital Assets	29,976,091	25,453,906
Restricted		
Capital Projects	148,582	148,582
Debt Service	3,008,334	3,496,738
Tax Certiorari	4,976,804	4,112,638
ERS and TRS Retirement Contributions	2,444,150	2,444,150
Unemployment	-	500,000
Special Purposes	145,587	143,714
Permanent fund	135,589	147,297
Unrestricted	(97,736,902)	(99,732,499)
Total Net Position	$ (56,901,765)	$ (63,285,474)

Net pension assets increased from the prior year. The net pension liability for the TRS of $7,517,582 in 2020-2021 decreased by $55,084,588 creating a net pension asset of $47,567,006 in 2021-2022 due to investment gains by the retirement system for its fiscal year ending June 30, 2021. The net pension liability for the ERS of $24,443 in 2020-2021 decreased by $2,162,656 creating a net pension asset of $2,138,213 in 2021-2022 due to investment gains by the retirement system for its fiscal year ending March 31, 2022.

Long-term liabilities, which consist of general obligation bonds, compensated absences and net pension and OPEB liabilities, decreased by $59,591,739 from the previous year. The OPEB liability decreased by $46,306,653 primarily due to an increase in the discount rate. As stated earlier, the net pension liability for ERS and TRS became net pension assets in the current year so the net pension liabilities of $24,443 for ERS and $7,517,582 for TRS have been eliminated at June 30, 2022. The School District also retired $4,705,000 in previously issued bonded indebtedness.

A large component of the School District's net position ($29,976,091) reflects its investment in capital assets, less any related debt that is still outstanding that was used to acquire those assets. The School District uses these capital assets to provide services to 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 listed above constitute $10,859,046 of net position and are comprised of amounts restricted for specific purposes, i.e., payments of tax certiorari claims, debt service, retirement contributions, etc. There is a negative balance of unrestricted net position of $97,736,902 primarily a result of the recognition of the OPEB liabilities. Overall, net position increased by $6,383,709.

Changes in Net Position

	June 30,	
	2022	2021
REVENUES		
Program Revenues		
Charges for Services	$ 286,728	$ 100,793
Operating Grants and Contributions	16,541,126	7,754,885
Capital Grants and Contributions	11,596	53,032
Total Program Revenues	16,839,450	7,908,710
General Revenues		
Real Property Taxes	64,665,837	62,329,650
Other Tax Items	5,875,806	7,198,186
Non-Property Taxes	3,328,292	2,999,571
Unrestricted Use of Money and Property	19,363	47,286
Sale of Property and Compensation for Loss	107,383	1,955
Unrestricted State Aid	41,145,116	31,611,169
Miscellaneous	521,315	736,658
Total General Revenues	115,663,112	104,924,475
Total Revenues	132,502,562	112,833,185
PROGRAM EXPENSES		
General Support	18,609,806	12,669,407
Instruction	98,640,159	105,330,020
Pupil Transportation	4,112,500	3,439,803
Community Services	30,986	29,375
Cost of Food Sales	2,249,293	1,050,660
Other	177,448	95,364
Interest	2,298,661	2,387,087
Total Expenses	126,118,853	125,001,716
Change in Net Position	6,383,709	(12,168,531)
NET POSITION		
Beginning, as reported	(63,285,474)	(51,175,421)
Cummulative Effect of Change in Accounting Principle	-	58,478
Beginning, as restated	(63,285,474)	(51,116,943)
Ending	$ (56,901,765)	$ (63,285,474)

The following are the major changes in Net Position:

Revenues:

- Real property taxes increased by $2,336,187, or 3.75%. The current property tax increase is attributed to increased expenses related to instruction and employee benefits. The School District relies upon real property taxes as its primary source of revenue.

- Operating grants and contributions increased by $8,786,241 due to free universal school lunches and the receipt of federal stimulus monies under the ESSER, GEER and ARPA programs.

- Other tax items include revenues received for the School Tax Relief Reimbursement Program ("STAR") and payments in lieu of taxes ("PILOT's"). The STAR Program provides tax relief to homeowners by decreasing the assessments taxable to the homeowner or by providing a refund of a portion of school taxes paid. As a result in changes to the law, this revenue decreased by $729,245 during the 2021-2022 fiscal year. PILOT payments also declined in the current year by $593,135.

- The unrestricted state aid revenue increased by $9,533,947, or 30.16%, due to New York State phasing in its foundation aid formula after years of delay.

Expenses:

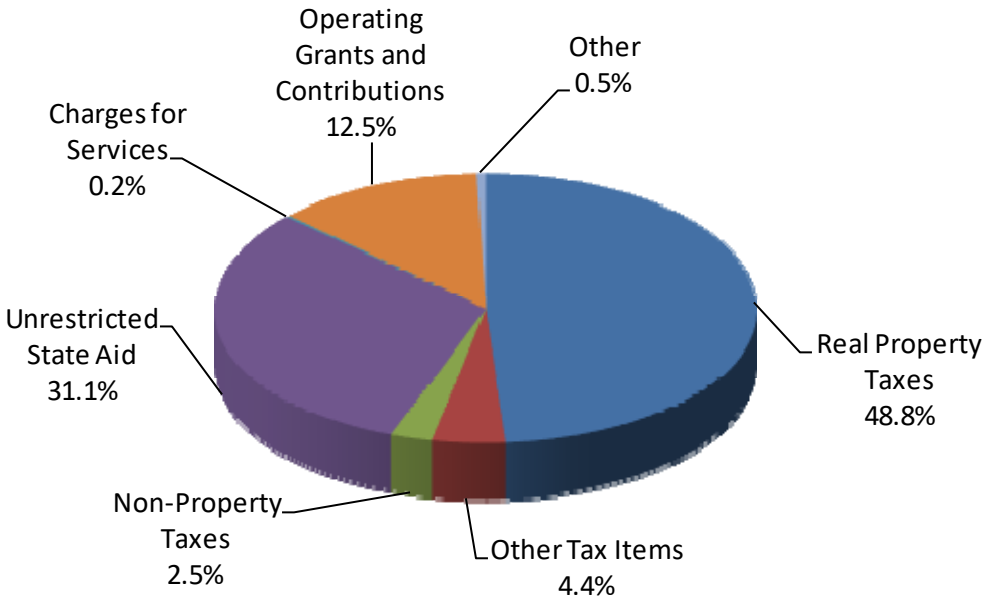
- Instructional program expenses decreased by $6,689,861, or 6.35%, from the prior year primarily as a result of the decrease in pension and OPEB liabilities.

- General support expenses increased by $5,940,399, or 46.89%, over the prior year primarily as a result of increased buildings operations costs compared to the previous year.

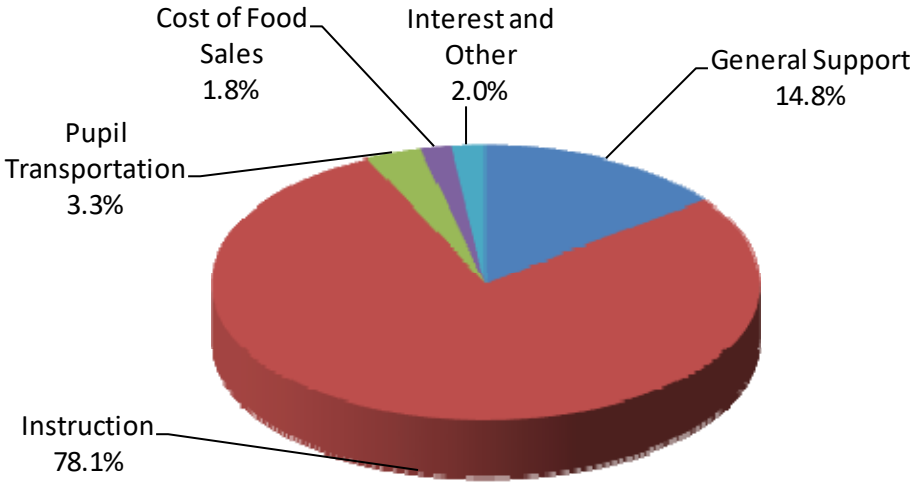
- Cost of food sales increased by $1,198,633, or 114.08%, over the prior year due to breakfast and lunch programs returning to normal post COVID levels and the ability to offer free lunch to all students due to additional federal aid.

The following graphs depict where the School District revenues were derived and how monies were spent. Real property taxes (48.8%) and Unrestricted State Aid (31.1%) represent 79.9% of the School District's revenue, while the School District's largest expense, instructional costs, accounts for 78.1% of total expenses.

Sources of Revenue for Fiscal Year 2022
Governmental Activities



Expenses for Fiscal Year 2022
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, *unassigned fund balance* may serve as a useful measure of a School District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of $21,649,363, a decrease of $7,315,507 from the amount of $28,964,870 reported in the prior year. This decrease is a result of capital project expenditures in the current year from bond proceeds received in the prior year.

	June 30,	
	2022	2021
Nonspendable:		
Inventories	$ 43,444	$ 50,153
Permanent Fund	135,589	135,589
Total Nonspendable	179,033	185,742
Restricted:		
Tax Certiorari	4,976,804	4,112,638
Employee Benefit Accrued Liability	861,808	861,808
ERS Retirement Contributions	1,679,550	1,679,550
TRS Retirement Contributions	764,600	764,600
Debt Service	2,890,038	1,093,838
Debt Service - for subsequent year's expenditures	118,296	2,402,900
Capital Projects	2,175,296	10,106,423
Unemployment Benefits	-	500,000
Permanent Fund	-	11,708
Special Purposes	145,587	143,714
Total Restricted	13,611,979	21,677,179
Assigned:		
Purchases On Order:		
General Government Support	221,242	418,797
Instruction	270,659	139,950
	491,901	558,747
For Subsequent Year's Expenditures - General Fund	429,501	1,110,900
School Lunch Fund	1,898,068	771,933
Total Assigned	2,819,470	2,441,580
Unassigned		
General Fund	5,038,881	4,660,369
Total Fund Balances	$ 21,649,363	$ 28,964,870

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was $14,243,484. This represents a decrease of $5,128 from the prior year. The amount of the unassigned fund balance is $5,039,320, or 4%, of the ensuing year's budget.

More detailed information about the School District's governmental fund balances is presented in Note 3G in the notes to financial statements.

General Fund Budgetary Highlights – 2021-2022

The original, voter approved adopted budget of $116,509,250 was increased by $558,747 as a result of the rollover of prior year encumbrances for a total original budget of $117,067,997. No additional budget amendments occurred during the fiscal year. The budget was modified by $1,577,234 to fund an emergency mold mitigation project, bringing the final budget to $118,645,231.

Revenue Highlights include:

- Revenue was greater than budget by $1,404,677.
- $183,411 shortage in real property taxes caused by residential property tax refunds related to the 2021-2022 fiscal year.
- $828,292 excess in county sales tax as a result of coming off of low economic activity due to the COVID-19 pandemic in the latter part of the 2021-2022 fiscal year.
- $349,482 excess in federal aid due to the School District receiving Elementary and Secondary School Emergency Relief (ESSER) from federal stimulus funds.

Expenditure Highlights include:

- Expenditures and encumbrances were $1,345,175 below the final budget.
- General Support was $732,773 below budget primarily due to savings in maintenance of plant after the declaration of an emergency for damage done to School District property by Hurricane Ida.
- Instruction was $556,604 below budget due to salary savings resulting from a retirement incentive package offered during the 2020-2021 fiscal year.

Fund Balance Highlights include:

- The June 30, 2022 fund balance in the General Fund was $14,243,484 decreasing by $5,128 from the prior year.
- The School District decreased the Unemployment Benefits restriction by $500,000 as it was deemed better suited for other restricted purposes.
- The School District utilized the Debt Service restriction by $488,404.
- The School District increased its tax certiorari restriction by $864,166.
- Unassigned fund balance increased by $378,951 and the amount is at the 4% maximum allowed by New York State

Capital Assets

As of June 30, 2022, the School District had $112,119,195, net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, as well as machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30, 2022	June 30, 2021
Land	$ 911,250	$ 911,250
Construction-in-Progress	86,148,022	80,987,262
Buildings and Improvements	24,373,877	25,066,127
Site Improvements	17,208	28,810
Vehicles	262,325	93,134
Furniture and Equipment	406,513	455,899
Total Capital Assets, net of Accumulated depreciation	$ 112,119,195	$ 107,542,482

The change in capital assets during the current fiscal year results from the ongoing activity authorized under the 2017 Bond Referendum and the Hurricane Ida repairs capital projects.

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, 2022	June 30, 2021
Bonds Payable, net	$ 86,983,685	$ 92,111,090
Compensated Absences	3,051,640	3,667,296
Net Pension Liability - ERS	- (1)	24,443
Net Pension Liability - TRS	- (1)	7,517,582
Other Post Employment Benefit Liability	109,192,663	155,499,316
Total	$ 199,227,988	$ 258,819,727

(1) Reflected as a net pension asset at June 30, 2022.

During the 2021-2022 fiscal year, the School District reflected its ERS and TRS as a net pension asset 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. As noted earlier, the decrease was due to the effects of demographic gains and losses. This liability will generally continue to grow over time as at this juncture the School District is permitted by New York State only to fund its pay-as-you-go obligations for health insurance. Although the provisions of GASB Statement No. 87, "*Leases*", is effective for the fiscal year ended June 30, 2022, the School District determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

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

For the Future

The Port Chester - Rye Union Free School District is financially stable and strong. However, there are two inter-related challenges that will require some discussion: Enrollment and Budget.

*Enrollmen*t:

As the following chart shows, in 2021-2022 there was a decrease from the 2020-2021 school year due to the impact of the COVID-19 pandemic. With the exception of 2016-2017, 2017-2018, 2020-2021, and 2021-2022, there has been an increase in enrollment in all of the School District's facilities. While the increases have been small on an annual basis, the cumulative effect has required increased staffing at various levels in different years. Enrollment for the 2022-2023 school year is projected to exceed the 4,564 student in the 2021-2022 school year.

Port Chester - Rye School District's Changing Enrollment

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
K-5	2,116	2,154	2,206	2,161	2,161	2,218	2,139	2,060	2,065	2,073	2,116	1,951
6-8	884	880	908	997	1,039	1,107	1,077	1,074	1,075	1,079	1,061	1,042
9-12	1,183	1,199	1,255	1,262	1,318	1,345	1,436	1,489	1,515	1,618	1,528	1,571
Total	4,183	4,233	4,369	4,420	4,518	4,670	4,652	4,623	4,655	4,770	4,705	4,564

Budget:

The School District is dependent upon real property taxes as they represent approximately 49% of School District revenues (exclusive of STAR) and State aid which represent 30% of the School District budget.

Any future cuts to State Aid can have an adverse effect on the School District's finances.

Effective in the 2012-2013 school year, legislation was passed by New York State capping tax levy increases to 2%. Under these circumstances, the challenge of presenting a fiscally responsible budget, while meeting the needs of children and mandates, will require effective and efficient management of School District operations in future years.

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:

Port Chester - Rye Union Free School District
Attn: Philip Silano
Assistant Superintendent for Business
113 Bowman Ave
Port Chester - Rye, New York 10573

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Port Chester - Rye Union Free School District, New York

Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Cash and equivalents	$ 20,999,135
Investments	222,523
Receivables	
Accounts	164,479
State and Federal aid	7,066,287
Due from other governments	2,095,761
Inventories	43,444
Net pension asset - TRS	47,567,006
Net pension asset - ERS	2,138,213
Capital assets	
Not being depreciated	87,059,272
Being depreciated, net	25,059,923
Total Assets	192,416,043
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	43,501
Pension related	32,055,805
OPEB related	34,898,562
Total Deferred Outflows of Resources	66,997,868
LIABILITIES	
Accounts payable	1,765,881
Accrued liabilities	44,188
Deposits	8,835
Employee payroll deductions	15,693
Unearned revenues	829,577
Due to retirement systems	6,278,092
Accrued interest payable	209,943
Non-current liabilities	
Due within one year	3,875,000
Due in more than one year	195,352,988
Total Liabilities	208,380,197
DEFERRED INFLOWS OF RESOURCES	
Pension related	60,840,760
OPEB related	47,094,719
Total Deferred Inflows of Resources	107,935,479
NET POSITION	
Net investment in capital assets	29,976,091
Restricted	
Capital projects	148,582
Debt service	3,008,334
Tax certiorari	4,976,804
ERS Retirement contributions	1,679,550
TRS Retirement contributions	764,600
Special purposes	145,587
Permanent fund	135,589
Unrestricted	(97,736,902)
Total Net Position	$ (56,901,765)

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

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Port Chester - Rye Union Free School District, New York

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
General support	$ 18,609,806	$ 132,469	$ -	$ -	$ (18,477,337)
Instruction	98,640,159	40,326	12,875,067	-	(85,724,766)
Pupil transportation	4,112,500	39,006	240,363	-	(3,833,131)
Community services	30,986	-	-	-	(30,986)
Cost of food sales	2,249,293	74,927	3,258,522	-	1,084,156
Other	177,448	-	167,174	-	(10,274)
Interest	2,298,661	-	-	11,596	(2,287,065)
Total Governmental Activities	$ 126,118,853	$ 286,728	$ 16,541,126	$ 11,596	(109,279,403)
General revenues					
Real property taxes					64,665,837
Other tax items					
School tax relief reimbursement					4,929,292
Payments in lieu of taxes					946,514
Non-property taxes					
Non-property tax distribution from County					3,328,292
Unrestricted use of money and property					19,363
Sale of property and compensation for loss					107,383
Unrestricted State aid					41,145,116
Miscellaneous					521,315
Total General Revenues					115,663,112
Change in Net Position					6,383,709
Net Position - Beginning					(63,285,474)
Net Position - Ending					$ (56,901,765)

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

Port Chester - Rye Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2022

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	$ 8,042,970	$ 3,688,831	$ 4,646,288
Investments	222,523	-	-
Receivables			
Accounts	164,479	-	-
State and Federal aid	1,256,716	4,903,390	304,483
Due from other governments	2,095,761	-	-
Due from other funds	10,533,577	-	-
Inventories	-	-	-
Total Assets	$ 22,316,026	$ 8,592,221	$ 4,950,771
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 1,413,731	$ 195,248	$ 2,001
Accrued liabilities	40,576	3,612	-
Deposits	8,835	-	-
Employee payroll deductions	15,693	-	-
Unearned revenues	315,615	497,884	-
Due to other funds	-	7,895,477	2,773,474
Due to retirement systems	6,278,092	-	-
Total Liabilities	8,072,542	8,592,221	2,775,475
Fund balances (deficits)			
Nonspendable	-	-	-
Restricted	8,282,762	-	2,175,296
Assigned	921,402	-	-
Unassigned	5,039,320	-	-
Total Fund Balances	14,243,484	-	2,175,296
Total Liabilities and Fund Balances	$ 22,316,026	$ 8,592,221	$ 4,950,771

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

Non-Major Governmental	Total Governmental Funds
$ 4,621,046	$ 20,999,135
-	222,523
-	164,479
601,698	7,066,287
-	2,095,761
169,667	10,703,244
43,444	43,444
$ 5,435,855	$ 41,294,873
$ 154,901	$ 1,765,881
-	44,188
-	8,835
-	15,693
16,078	829,577
34,293	10,703,244
-	6,278,092
205,272	19,645,510
179,033	179,033
3,153,921	13,611,979
1,898,068	2,819,470
(439)	5,038,881
5,230,583	21,649,363
$ 5,435,855	$ 41,294,873

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Port Chester - Rye Union Free School District, New York

Reconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2022

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

Total Fund Balances - Governmental Funds	$ 21,649,363
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	87,059,272
Capital assets - depreciable	65,783,545
Accumulated depreciation	(40,723,622)
	112,119,195
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	32,055,805
Deferred outflows - OPEB related	34,898,562
Deferred inflows - pension related	(60,840,760)
Deferred inflows - OPEB related	(47,094,719)
	(40,981,112)
Other long-term assets that are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Net pension asset - TRS	47,567,006
Net pension asset - ERS	2,138,213
	49,705,219
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(209,943)
General obligation bonds payable	(80,070,000)
Compensated absences	(3,051,640)
Total OPEB liability	(109,192,663)
	(192,524,246)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charge on refunding bonds	43,501
Premium on general obligation bonds	(6,913,685)
	(6,870,184)
Net Position of Governmental Activities	$ (56,901,765)

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

Port Chester - Rye Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	$ 64,665,837	$ -	$ -
Other tax items	5,875,806	-	-
Non-property taxes	3,328,292	-	-
Charges for services	79,332	-	-
Use of money and property	151,832	-	-
Sale of property and compensation for loss	107,383	-	-
State aid	41,548,058	3,025,086	-
Federal aid	525,172	9,137,759	-
Food sales	-	-	-
Miscellaneous	521,315	24,471	-
Total Revenues	116,803,027	12,187,316	-
EXPENDITURES			
Current			
General support	15,093,104	-	-
Instruction	66,829,179	11,560,938	-
Pupil transportation	3,862,293	240,363	-
Community services	30,986	-	-
Employee benefits	23,924,704	536,135	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	7,931,127
Total Expenditures	109,740,266	12,337,436	7,931,127
Excess (Deficiency) of Revenues Over Expenditures	7,062,761	(150,120)	(7,931,127)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	150,120	-
Transfers out	(7,067,889)	-	-
Total Other Financing Sources (Uses)	(7,067,889)	150,120	-
Net Change in Fund Balances	(5,128)	-	(7,931,127)
FUND BALANCES			
Beginning of Year	14,248,612	-	10,106,423
End of Year	$ 14,243,484	$ -	$ 2,175,296

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

Non-Major Governmental	Total Governmental Funds
$ -	$ 64,665,837
-	5,875,806
-	3,328,292
-	79,332
11,858	163,690
-	107,383
52,147	44,625,291
3,206,241	12,869,172
74,927	74,927
167,046	712,832
3,512,219	132,502,562
-	15,093,104
-	78,390,117
-	4,102,656
-	30,986
-	24,460,839
2,214,023	2,214,023
177,448	177,448
4,705,000	4,705,000
2,712,769	2,712,769
-	7,931,127
9,809,240	139,818,069
(6,297,021)	(7,315,507)
6,917,769	7,067,889
-	(7,067,889)
6,917,769	-
620,748	(7,315,507)
4,609,835	28,964,870
$ 5,230,583	$ 21,649,363

Port Chester - 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, 2022

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

Net Change in Fund Balances - Total Governmental Funds	$ (7,315,507)
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	5,374,231
Depreciation expense	(797,518)
	4,576,713
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond 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.	
Principal paid on general obligation bonds	4,705,000
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	12,875
Compensated absences	615,656
Changes in pension liabilities and related deferred outflows and inflows of resources	9,065,631
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(5,677,892)
Amortization of premium and loss on bonds	401,233
	4,417,503
Change in Net Position of Governmental Activities	$ 6,383,709

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

Port Chester - Rye Union Free School District, New York

Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 64,849,248	$ 64,849,248	$ 64,665,837	$ (183,411)
Other tax items	5,515,694	5,515,694	5,875,806	360,112
Non-property taxes	2,500,000	2,500,000	3,328,292	828,292
Charges for services	53,000	53,000	79,332	26,332
Use of money and property	315,000	315,000	151,832	(163,168)
Sale of property and compensation for loss	-	-	107,383	107,383
State aid	41,665,408	41,665,408	41,548,058	(117,350)
Federal aid	150,000	150,000	525,172	375,172
Miscellaneous	350,000	350,000	521,315	171,315
Total Revenues	115,398,350	115,398,350	116,803,027	1,404,677
EXPENDITURES				
Current				
General support	10,947,611	16,047,119	15,093,104	954,015
Instruction	70,113,200	67,656,442	66,829,179	827,263
Pupil transportation	3,838,441	3,887,190	3,862,293	24,897
Community services	57,000	30,986	30,986	-
Employee benefits	24,918,976	23,930,605	23,924,704	5,901
Total Expenditures	109,875,228	111,552,342	109,740,266	1,812,076
Excess of Revenues Over Expenditures	5,523,122	3,846,008	7,062,761	3,216,753
OTHER FINANCING USES				
Transfers out	(7,192,769)	(7,092,889)	(7,067,889)	25,000
Net Change in Fund Balance	(1,669,647)	(3,246,881)	(5,128)	3,241,753
FUND BALANCE				
Beginning of Year	1,669,647	3,246,881	14,248,612	11,001,731
End of Year	$ -	$ -	$ 14,243,484	$ 14,243,484

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

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Note 1 - Summary of Significant Accounting Policies

The Port Chester - Rye Union Free School District, New York ("School District"), as presently constituted, was established in 1853 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 by Education Law. Copies of BOCES' financial statements 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 funds 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 explains 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 breakfast and lunch programs 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.

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

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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2022 is $222,523 and is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days. CLASS is 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. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

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.

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, 2022.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 levied and payable 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 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, 2022, 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 which is recorded at a stated value, which approximates market. 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.

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 $1,000 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.

Class	Life in Years
Buildings and Improvements	50
Site Improvements	20-50
Vehicles	5-10
Furniture and Equipment	5-10

Note 1 - Summary of Significant Accounting Policies (Continued)

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 sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the district-wide financial statements, unearned revenues consist of amounts received in advance and/or amounts from 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 $315,615 for fees received in advance in the General Fund, $497,884 for State and Federal aid received in advance in the Special Aid Fund and $16,078 for unused meal deposits 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 assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 assets 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 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 the 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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."*

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 capital projects, debt service, tax certiorari, ERS retirement contributions, TRS retirement contributions, special purposes and the 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:

Note 1 - Summary of Significant Accounting Policies (Continued)

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 entity 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.

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 for Business for amounts assigned as 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

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund. Encumbrances outstanding at year-end are generally 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 results 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 6, 2022.

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 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

g) The General Fund budget 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, Permanent and Debt Service 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.

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 to 4% of the ensuing year's budget.

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,

Note 2 - Stewardship, Compliance and Accountability (Continued)

revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

D. New Accounting Pronouncement

GASB Statement No. 87, *"Leases",* established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB Statement No. 87 are effective for the School District's fiscal year ended June 30, 2022. The School District has completed its evaluation of the financial impact of GASB Statement No. 87 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

E. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified to conform with the current year presentation. These classifications had no effect on previously reported fund balance amounts.

F. Permanent Fund Deficit

The Permanent Fund reflects an unassigned deficit of $439 at June 30, 2022. This was the result of expenditures incurred that required the use of the corpus of the fund. The School District intends to restore this amount in the ensuing year.

G. Capital Projects Fund Project Deficit

The deficit in the Hurricane IDA repairs capital project arises because of expenditures exceeding current financing on the project. This deficit will be eliminated with the subsequent receipt of Federal aid through the Federal Emergency Management Agency ("FEMA").

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2022 were as follows:

Fund	Due From	Due To
General	$ 10,533,577	$ -
Special Aid	-	7,895,477
Capital Projects	-	2,773,474
Non-Major Governmental	169,667	34,293
	$ 10,703,244	$ 10,703,244

The outstanding balances between funds result 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.

Note 3 - Detailed Notes on All Funds (Continued)

B. Capital Assets

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

Class	Balance, July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital Assets, not being depreciated:				
Land	$ 911,250	$ -	$ -	$ 911,250
Construction-in-progress	80,987,262	5,160,760	-	86,148,022
	$ 81,898,512	$ 5,160,760	$ -	$ 87,059,272
Capital Assets, being depreciated:				
Buildings and Improvements	$ 62,553,379	$ -	$ -	$ 62,553,379
Site improvements	1,287,883	-	-	1,287,883
Vehicles	489,361	213,471	-	702,832
Furniture and Equipment	1,239,451	-	-	1,239,451
Total Capital Assets, being depreciated	65,570,074	213,471	-	65,783,545
Less Accumulated Depreciation for:				
Buildings and Improvements	37,487,252	692,250	-	38,179,502
Site improvements	1,259,073	11,602	-	1,270,675
Vehicles	396,227	44,280	-	440,507
Furniture and Equipment	783,552	49,386	-	832,938
Total Accumulated Depreciation	39,926,104	797,518	-	40,723,622
Total Capital Assets, being depreciated, net	$ 25,643,970	$ (584,047)	$ -	$ 25,059,923
Capital Assets, net	$ 107,542,482	$ 4,576,713	$ -	$ 112,119,195

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

General Support	$ 61,737
Instruction	700,511
Transportation	35,270
Total Depreciation Expense	$ 797,518

C. Accrued Liabilities

Accrued liabilities at June 30, 2022 were as follows:

	Fund		
	General	Special Aid	Total
Payroll and employee benefits	$ 40,576	$ 3,612	$ 44,188

Note 3 - Detailed Notes on All Funds (Continued)

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2022:

	Balance July 1, 2021	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2022	Due Within One-Year
General Obligation Bonds Payable	$ 84,775,000	$ -	$ 4,705,000	$ 80,070,000	$ 3,570,000
Plus - Unamortized premium on bonds	7,336,090	-	422,405	6,913,685	-
	92,111,090	-	5,127,405	86,983,685	3,570,000
Other Non-current Liabilities:					
Compensated Absences	3,667,296	-	615,656	3,051,640	305,000
Net Pension Liability - ERS	24,443	-	24,443	-	-
Net Pension Liability - TRS	7,517,582	-	7,517,582	-	-
Other Postemployment Benefit Liability	155,499,316	-	46,306,653	109,192,663	-
Total Other Non-Current Liabilities	166,708,637	-	54,464,334	112,244,303	305,000
Total Long-Term Liabilities	$ 258,819,727	$ -	$ 59,591,739	$ 199,227,988	$ 3,875,000

Each governmental fund's liability for compensated absences, net pension liabilities and other postemployment benefit liabilities is liquidated by the General Fund. The School District's indebtedness for general obligation bonds is satisfied by the Debt Service Fund, which is funded primarily by the General Fund.

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2022 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2022
Refunding Bonds	2015	$ 5,195,000	June, 2026	2.000 - 4.000 %	$ 2,300,000
Serial Bonds	2020	83,465,000	June, 2040	2.000 - 5.000	77,770,000
					$ 80,070,000

Interest expenditures of $2,712,769 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of $2,298,661 was recorded in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2022, including interest payments of $21,624,677 are as follows:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2023	$ 3,570,000	$ 2,547,769
2024	3,750,000	2,374,719
2025	3,920,000	2,204,469
2026	4,095,000	2,026,019
2027	3,675,000	1,839,119
2028-2032	21,070,000	6,506,244
2033-2037	24,200,000	3,377,044
2038-2040	15,790,000	749,294
	$ 80,070,000	$ 21,624,677

The above general obligation bonds 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

The School District is not required to compensate employees for accumulated sick leave upon separation from service, except for the purposes of retirement. Vacation leave for CSEA 12 month employees is generally taken in the year subsequent to the year in which it is earned. 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 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

Note 3 - Detailed Notes on All Funds (Continued)

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 2022 are as follows:

	Tier/Plan	Rate
ERS	3 A14	18.1 %
	4 A15	18.1
	5 A15	15.1
	6 A15	10.6
TRS	1-6	9.8 %

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2022, the School District reported the following for its proportionate share of the net pension asset for ERS and TRS:

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Net pension (asset)	$ (2,138,123)	$ (47,567,006)
School Districts' proportion of the net pension asset	0.0261557 %	0.274493 %
Change in proportion since the prior measurement date	0.0016080 %	0.002439 %

The net pension asset was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS and the total pension liability used to calculate the net pension asset were determined by actuarial valuations as of those dates. The School District's proportion of the net pension asset 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 asset 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, 2022, the School District recognized its proportionate share of pension expense in the district-wide financial statements of $(2,751,934) ($168,889 for ERS and $(2,920,823) for TRS). Pension expenditures for ERS of $1,139,984 were recorded in the fund financial statements in the General Fund. Pension expenditures for TRS of $5,025,975 and $147,738 were reported in the fund financial statements and were charged to the General and Special Aid funds, respectively.

At June 30, 2022, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 161,923	$ 210,023	$ 6,556,607	$ 247,131
Changes of assumptions	3,568,288	60,211	15,645,783	2,770,638
Net difference between projected and actual earnings on pension plan investments	-	7,001,458	-	49,783,793
Changes in proportion and differences between School District contributions and proportionate share of contributions	232,191	32,119	406,047	735,387
School District contributions subsequent to the measurement date	311,252	-	5,173,714	-
	$ 4,273,654	$ 7,303,811	$ 27,782,151	$ 53,536,949

Note 3 - Detailed Notes on All Funds (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,718,530	$ 457,154
Changes of assumptions	19,214,071	2,830,849
Net difference between projected and actual earnings on pension plan investments	-	56,785,251
Changes in proportion and differences between School District contributions and proportionate share of contributions	638,238	767,506
School District contributions subsequent to the measurement date	5,484,966	-
	$ 32,055,805	$ 60,840,760

$311,252 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 an increase of the net pension asset in the plan's year ended March 31, 2023. The $5,173,714 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2022. 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
2022	$ -	$ (6,349,998)
2023	(473,835)	(7,338,472)
2024	(737,024)	(9,069,673)
2025	(1,779,454)	(11,949,989)
2026	(351,096)	2,209,584
Thereafter	-	1,570,036
	$ (3,341,409)	$ (30,928,512)

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, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Investment rate of return	5.9% *	6.95% *
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.7%	2.4%
Cost of living adjustments	1.4%	1.3%

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

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-2020, 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, 2015 to June 30, 2020.

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:

	ERS March 31, 2022		TRS June 30, 2021	
Asset Type	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	3.30 %	33 %	6.8 %
International Equity	15	5.85	16	7.6
Private Equity	10	6.50	8	10.0
Real Estate	9	5.00	11	6.5
Domestic Fixed Income Securities	-	-	16	1.3
Global Bonds	-	-	2	0.8
High Yield Bonds	-	-	1	3.8
Global Equities	-	-	4	7.1
Private Debt	-	-	1	5.9
Real Estate Debt	-	-	7	3.3
Opportunistic/ARS Portfolio	3	4.10	-	-
Credit	4	3.78	-	-
Real Assets	3	5.80	-	-
Fixed Income	23	-	-	-
Cash	1	(1.00)	1	(0.2)
	100 %		100 %	

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 2.4% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% 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 6.95% 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 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% 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)	$ 5,503,506	$ (2,138,123)	$ (8,529,978)

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension asset	$ (4,991,464)	$ (47,567,006)	$ (83,348,660)

The components of the collective net pension asset as of the March 31, 2022 ERS measurement date and the June 30, 2021 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	$ 223,874,888,000	$ 130,819,415,417
Fiduciary net position	232,049,473,000	148,148,457,363
Employers' net pension asset	$ (8,174,585,000)	$ (17,329,041,946)
Fiduciary net position as a percentage of total pension liability	103.65%	113.20%

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, 2022 represent the projected employer contribution for the period April 1, 2022 through June 30, 2022 based on

Note 3 - Detailed Notes on All Funds (Continued)

paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2022 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, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 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, 2022 were $311,252 to ERS and $5,966,840 to TRS, inclusive of $793,126 of employee contributions.

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.

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, 2022, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	278
Active employees	600
	878

The School District's total OPEB liability of $109,192,663 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020.

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:

Salary increases	3.00%, average, including inflation
Discount rate	3.77%
Healthcare cost trend rates	7.0% for 2023, decreasing 0.25% per year to an ultimate rate of 4.5% for 2033 and later years
Retirees' share of benefit-related costs	Varies from 0% to 65%, depending on applicable retirement year and bargaining unit

The discount rate was based on an average of three 20 year bond indices (e.g., Bond Buyer – 20 year GO, S&P Municipal 20 year High Grade Rate Index, Fidelity GO AA 20 years).

Mortality rates were based on the RP-2014 Healthy Male and Female Tables, as appropriate, with adjustments for mortality improvements based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2020 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience is not applicable.

The School District's change in the total OPEB liability for the year ended June 30, 2022 is as follows:

Total OPEB Liability - Beginning of Year	$ 155,499,316
Service cost	2,955,817
Interest	5,815,994
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(52,620,650)
Benefit payments	(2,457,814)
Total OPEB Liability - End of Year	$ 109,192,663

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 (2.77%) or 1 percentage point higher (4.77%) than the current discount rate:

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB Liability	$ 136,814,783	$ 109,192,663	$ 88,986,560

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 (6.0% decreasing to 3.5%) or 1 percentage point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	$ 86,769,407	$ 109,192,663	$ 140,451,730

For the year ended June 30, 2022, the School District recognized OPEB expense of $8,135,706 in the district-wide financial statements. At June 30, 2022, 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	$ 34,898,562	$ 47,094,719

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,	
2023	$ (636,105)
2024	(636,105)
2025	(636,105)
2026	(636,105)
2027	(597,364)
Thereafter	(9,054,373)
	$ (12,196,157)

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 the equivalent flow of assets in return. The interfund transfers reflected below have been reported as transfers.

	Transfers in		
Transfers Out	Special Aid Fund	Non-Major Governmental Funds	Total
General Fund	$ 150,120	$ 6,917,769	$ 7,067,889

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Special Aid and Debt Service funds expenditures.

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 Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

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

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Special Purposes - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes with constraints placed on their use by either external parties and/or statutes.

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".

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	2022				2021			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:								
Inventories	$ -	$ -	$ 43,444	$ 43,444	$ -	$ -	$ 50,153	$ 50,153
Permanent Fund	-	-	135,589	135,589	-	-	135,589	135,589
	-	-	179,033	179,033	-	-	185,742	185,742
Restricted:								
Tax certiorari	4,976,804	-	-	4,976,804	4,112,638	-	-	4,112,638
Employee benefit accrued liability	861,808	-	-	861,808	861,808	-	-	861,808
ERS retirement contributions	1,679,550	-	-	1,679,550	1,679,550	-	-	1,679,550
TRS retirement contributions	764,600	-	-	764,600	764,600	-	-	764,600
Debt service	-	-	2,890,038	2,890,038	-	-	1,093,838	1,093,838
Debt service - for subsequent year's expenditures	-	-	118,296	118,296	-	-	2,402,900	2,402,900
Capital projects	-	2,175,296	-	2,175,296	-	10,106,423	-	10,106,423
Unemployment benefits	-	-	-	-	500,000	-	-	500,000
Permanent Fund	-	-	-	-	-	-	11,708	11,708
Special purposes - extraclassroom activities	-	-	63,978	63,978	-	-	56,239	56,239
Special purposes - other	-	-	81,609	81,609	-	-	87,475	87,475
	8,282,762	2,175,296	3,153,921	13,611,979	7,918,596	10,106,423	3,652,160	21,677,179
Assigned:								
Purchases on order:								
General government support	221,242	-	-	221,242	418,797	-	-	418,797
Instruction	270,659	-	-	270,659	139,950	-	-	139,950
	491,901	-	-	491,901	558,747	-	-	558,747
For subsequent year's expenditures	429,501	-	-	429,501	1,110,900	-	-	1,110,900
School Lunch Fund	-	-	1,898,068	1,898,068	-	-	771,933	771,933
	921,402	-	1,898,068	2,819,470	1,669,647	-	771,933	2,441,580
Unassigned	5,039,320	-	(439)	5,038,881	4,660,369	-	-	4,660,369
Total Fund Balances	$ 14,243,484	$ 2,175,296	$ 5,230,583	$ 21,649,363	$ 14,248,612	$ 10,106,423	$ 4,609,835	$ 28,964,870

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.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to 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, 2022, the Board of Education has utilized 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 of the School Lunch Fund.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the non-major governmental funds represents expenditures in excess of the corpus in the Permanent Fund.

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. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

The School District is a defendant in breach of contract actions commenced by contractors who performed services for the School District's active capital projects. One contractor's claim alleges the fair and reasonable value of labor, materials and services provided which have not been paid is estimated to be $3 million. The School District asserted in its answer to the complaint affirmative defenses, cross claims and counterclaims. At this time, it is not possible to make a determination that an unfavorable outcome is either probable or remote. Another contractor's claim asserts delay damages and failure to pay for extra work. No action has yet been commenced, but if the contractor were to prevail, it is seeking damages of approximately $550,000. A third contractor's claim asserts delay damages and failure to pay for extra work. No action has yet been commenced, but if the contractor were to prevail, it is seeking damages of approximately $1,425,000.

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, called the New York State Insurance Reciprocal ("NYSIR") to be owned by these districts. NYSIR operates under an agreement effective July 1, 1989. The purpose of NYSIR 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. NYSIR 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. NYSIR is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of NYSIR and can be assessed their proportionate share by the State Insurance Department if the funds of NYSIR 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 from NYSIR to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to $10 million and an excess catastrophe liability policy with coverage up to $15 million. The School District also maintains liability coverage for school board members up to $1 million. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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. The School District has transferred all related risk to the Plan.

The School District and neighboring school districts in Southern Westchester County participate in the State-Wide Schools Cooperative Health Plan. This Plan operates under an agreement, as amended, dated December 12, 1985. The purposes of the Plan are to effect cost savings in members' expenses for health coverage; to provide for centralized administration, funding and disbursements for health coverage; and to provide for such risk management services as may be appropriate to reduce future expense and liability for health coverage. The governance of the Plan shall be in all respects in the hands of the Board of Trustees. The Board of Trustees shall consist of seven trustees elected by the general membership of the Plan. No action may be taken by the Board of Trustees except by a vote of a majority of the total number of trustees. Billings to participants are based upon coverage provided to each participants' employees. The School District has transferred all related risk to the Plan.

Note 5 - Tax Abatements

The Village of Port Chester Industrial Development Agency, enters into various property tax abatement agreements for the purpose of economic development.

Information relevant to disclosure of these agreements for the School District fiscal year ended June 30, 2022 is as follows:

Start Date	Agreement	Tax Yr	Taxable Assessed Value	Tax Rate	Total Tax Value	PILOT Received	Taxes Abated
10/3/2001	G&S Port Chester Retail 1, LLC	2021/22	$ 56,861,200	$ 19.336334	$ 1,099,487	$ 258,695	$ 840,792
12/11/2003	G&S Port Chester Unit 2A, LLC	2021/22	7,144,600	19.336334	138,150	138,783	(633)
12/30/2003	G&S Port Chester Unit 2B, LLC	2021/22	1,359,500	19.336334	26,288	32,892	(6,604)
12/30/2003	G&S Port Chester Unit 2C, LLC	2021/22	3,489,500	19.336334	67,474	42,124	25,350
12/30/2003	G&S Port Chester Unit 2D, LLC	2021/22	3,015,300	19.336334	58,305	12,682	45,623
1/15/2008	G&S Port Chester Unit 4A, LLC	2021/22	2,360,400	19.336334	45,641	35,768	9,873
7/16/2001	Kingsport Apartment LP	2021/22	11,020,500	19.336334	213,096	33,303	179,793
1/1/2005	Southport Mews Preservation LP	2021/22	6,615,900	19.336334	127,927	80,836	47,091
11/10/2010	JMDH Real Estate- Rest. Depot	2021/22	8,982,000	19.336334	173,679	46,128	127,551
4/16/2019	JMDH Real Estate- JETRO	2021/22	13,127,800	19.336334	253,844	207,715	46,129
4/16/2019	1618 North Main LLC	2021/22	532,500	19.336334	10,297	10,297	-
1/1/2002	Port Chester Housing Authority	2021/22	6,970,100	19.336334	134,776	47,291	87,485
Total			$ 121,479,300		$ 2,348,964	$ 946,514	$ 1,402,450

Note 6 - Recently Issued GASB Pronouncements

GASB Statement No. 96, *"Subscription-Based Information Technology Arrangements"* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

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.

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

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	$ 2,955,817	$ 5,098,164	$ 1,836,927	$ 1,595,080	$ 1,608,928
Interest	5,815,994	3,104,231	3,011,273	2,954,706	3,399,554
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-
Changes of assumptions or other inputs	(52,620,650) (4)	29,765,453	18,352,981	(1,011,541)	-
Benefit payments	(2,457,814)	(2,461,740)	(1,346,365)	(1,425,911)	(1,724,522)
Net Change in Total OPEB Liability	(46,306,653)	35,506,108	21,854,816	2,112,334	3,283,960
Total OPEB Liability – Beginning of Year	155,499,316	119,993,208	98,138,392	96,026,058	92,742,098 (3)
Total OPEB Liability – End of Year	$ 109,192,663	$ 155,499,316	$ 119,993,208	$ 98,138,392	$ 96,026,058
School District's covered-employee payroll	$ 50,893,559	$ 50,893,559	$ 51,373,367	$ 51,373,367	$ 54,058,958
Total OPEB liability as a percentage of covered-employee payroll	214.55%	305.54%	233.57%	191.03%	177.63%
Discount Rate	3.77%	2.09%	2.60%	3.10%	3.10%

(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 this Statement to pay related benefits.
(3) Restated for the implementation of the provisions of GASB Statement No. 75.
(4) Increase in discount rate resulted in decrease in total OPEB liability.

See independent auditors' report.

Port Chester - 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)

	2022 (4)	2021 (3)	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	0.274493%	0.272054%	0.266851%	0.276386%	0.276648%	0.264440%	0.253039%	0.246939%
School District's proportionate share of the net pension liability (asset)	$ (47,567,006)	$ 7,517,582	$ (6,932,810)	$ (4,997,793)	$ (2,102,797)	$ 2,832,258	$ (26,282,662)	$ (27,507,425)
School District's covered payroll	$ 46,782,230	$ 46,169,638	$ 44,464,090	$ 45,020,226	$ 44,193,746	$ 40,841,823	$ 38,010,895	$ 36,115,160
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(101.68)%	16.28%	(15.59)%	(11.10)%	(4.76)%	6.93%	(69.15)%	(76.17)%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount Rate	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Schedule of Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 5,173,714	$ 4,458,347	$ 4,090,630	$ 4,731,702	$ 4,413,445	$ 5,137,511	$ 5,412,735	$ 6,667,222
Contributions in relation to the contractually required contribution	(5,173,714)	(4,458,347)	(4,090,630)	(4,731,702)	(4,413,445)	(5,137,511)	(5,412,735)	(6,667,222)
Contribution excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 52,792,997	$ 46,782,230	$ 46,169,638	$ 44,464,090	$ 45,020,226	$ 44,193,746	$ 40,841,823	$ 38,010,895
Contributions as a percentage of covered payroll	9.80%	9.53%	8.86%	10.64%	9.80%	11.62%	13.25%	17.54%

(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) 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.
(4) 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.

See independent auditors' report.

Port Chester - 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 (Asset) (2)

	2022 (5)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	0.0261557%	0.0245477%	0.0245803%	0.0255276%	0.0257972%	0.0258177%	0.0253253%	0.0258298%
School District's proportionate share of the net pension liability (asset)	$ (2,138,123)	$ 24,443	$ 6,508,999	$ 1,808,711	$ 832,591	$ 2,425,886	$ 4,064,781	$ 872,593
School District's covered payroll	$ 9,340,773	$ 7,767,116	$ 7,753,553	$ 7,653,099	$ 7,616,404	$ 7,326,386	$ 6,953,662	$ 6,724,831
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(22.89)%	0.31%	83.95%	23.63%	10.93%	33.11%	58.46%	12.98%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
Discount Rate	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

Schedule of Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,172,465	$ 1,078,412	$ 1,071,263	$ 1,216,331	$ 1,023,456	$ 1,029,333	$ 1,155,170	$ 1,177,300
Contributions in relation to the contractually required contribution	(1,172,465)	(1,078,412)	(1,071,263)	(1,216,331)	(1,023,456)	(1,029,333)	(1,155,170)	(1,177,300)
Contribution excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 9,934,019	$ 7,854,932	$ 7,706,545	$ 7,659,210	$ 7,690,211	$ 7,484,345	$ 7,032,072	$ 6,768,008
Contributions as a percentage of covered payroll	11.80%	13.73%	13.90%	15.88%	13.31%	13.75%	16.43%	17.40%

(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) 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.
(4)(5) 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.

See independent auditors' report.

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Port Chester - Rye Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2022	2021
ASSETS		
Cash and equivalents	$ 8,042,970	$ 9,832,076
Investments	222,523	4,202,387
Receivables		
Accounts	164,479	166,985
State and Federal aid	1,256,716	3,688,632
Due from other governments	2,095,761	1,648,004
Due from other funds	10,533,577	11,670,447
	14,050,533	17,174,068
Total Assets	$ 22,316,026	$ 31,208,531
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 1,413,731	$ 1,067,563
Accrued liabilities	40,576	91,759
Deposits	8,835	9,030
Employee payroll deductions	15,693	9,375
Unearned revenues	315,615	291,246
Due to other funds	-	10,110,654
Due to retirement systems	6,278,092	5,380,292
Total Liabilities	8,072,542	16,959,919
Fund balance		
Restricted	8,282,762	7,918,596
Assigned	921,402	1,669,647
Unassigned	5,039,320	4,660,369
Total Fund Balance	14,243,484	14,248,612
Total Liabilities and Fund Balance	$ 22,316,026	$ 31,208,531

See independent auditors' report.

Port Chester - 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,

	2022				
	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
REVENUES					
Real property taxes	$ 64,849,248	$ 64,849,248	$ 64,665,837	$	$ (183,411)
Other tax items	5,515,694	5,515,694	5,875,806		360,112
Non-property taxes	2,500,000	2,500,000	3,328,292		828,292
Charges for services	53,000	53,000	79,332		26,332
Use of money and property	315,000	315,000	151,832		(163,168)
Sale of property and compensation for loss	-	-	107,383		107,383
State aid	41,665,408	41,665,408	41,548,058		(117,350)
Federal aid	150,000	150,000	525,172		375,172
Miscellaneous	350,000	350,000	521,315		171,315
Total Revenues	115,398,350	115,398,350	116,803,027		1,404,677
EXPENDITURES					
Current					
General support					
Board of education	75,800	82,100	66,154	10,100	5,846
Central administration	456,304	437,202	435,876	147	1,179
Finance	1,020,400	1,008,259	938,134	46,500	23,625
Staff	309,601	322,025	318,341	1,250	2,434
Central services	7,290,142	12,535,855	11,679,488	163,245	693,122
Special items	1,795,364	1,661,678	1,655,111	-	6,567
Total General Support	10,947,611	16,047,119	15,093,104	221,242	732,773
Instruction					
Instruction, administration and improvement	5,606,640	5,897,709	5,737,248	14,102	146,359
Teaching - Regular school	35,424,555	33,874,707	33,504,389	182,966	187,352
Programs for students with disabilities	20,770,703	20,783,151	20,688,918	24,974	69,259
Occupational education	688,920	430,575	428,853	1,722	-
Teaching - Special schools	5,000	19,159	19,159	-	-
Instructional media	2,173,210	1,332,377	1,267,415	35,403	29,559
Pupil services	5,444,172	5,318,764	5,183,197	11,492	124,075
Total Instruction	70,113,200	67,656,442	66,829,179	270,659	556,604
Pupil transportation	3,838,441	3,887,190	3,862,293	-	24,897
Community services	57,000	30,986	30,986	-	-
Employee benefits	24,918,976	23,930,605	23,924,704	-	5,901
Total Expenditures	109,875,228	111,552,342	109,740,266	491,901	1,320,175
Excess of Revenues Over Expenditures	5,523,122	3,846,008	7,062,761	(491,901)	2,724,852
OTHER FINANCING USES					
Transfers out	(7,192,769)	(7,092,889)	(7,067,889)	-	25,000
Net Change in Fund Balance	(1,669,647)	(3,246,881)	(5,128)	$ (491,901)	$ 2,749,852
FUND BALANCE					
Beginning of Year	1,669,647	3,246,881	14,248,612		
End of Year	$ -	$ -	$ 14,243,484		

See independent auditors' report.

2021				
Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
$ 62,724,785	$ 62,724,785	$ 62,329,650	$	$ (395,135)
7,869,054	7,869,054	7,198,186		(670,868)
2,200,000	2,200,000	2,999,571		799,571
93,000	93,000	39,305		(53,695)
615,002	615,003	101,184		(513,819)
17,000	17,000	1,955		(15,045)
34,103,904	32,721,549	32,482,761		(238,788)
200,000	1,582,355	1,108,317		(474,038)
382,498	382,497	736,658		354,161
108,205,243	108,205,243	106,997,587		(1,207,656)
75,800	75,800	66,452	-	9,348
456,242	475,529	469,156	-	6,373
998,575	940,841	878,306	56,216	6,319
294,750	447,233	427,509	13,786	5,938
6,870,580	7,541,106	6,927,222	347,315	266,569
1,823,967	2,203,181	2,189,403	1,480	12,298
10,519,914	11,683,690	10,958,048	418,797	306,845
4,572,729	4,632,240	4,408,329	555	223,356
33,219,654	32,508,223	30,956,770	54,319	1,497,134
20,065,156	19,652,605	18,963,563	70,124	618,918
688,920	451,243	451,243	-	-
5,000	5,000	-	-	5,000
1,823,961	3,068,514	2,849,299	12,184	207,031
5,052,379	5,007,204	4,720,151	2,768	284,285
65,427,799	65,325,029	62,349,355	139,950	2,835,724
3,747,070	3,384,922	3,384,922	-	-
57,000	29,375	29,375	-	-
22,911,068	22,264,835	22,260,660	-	4,175
102,662,851	102,687,851	98,982,360	558,747	3,146,744
5,542,392	5,517,392	8,015,227	(558,747)	1,939,088
(7,629,403)	(7,604,403)	(7,438,481)	-	165,922
(2,087,011)	(2,087,011)	576,746	$ (558,747)	$ 2,105,010
2,087,011	2,087,011	13,671,866		
$ -	$ -	$ 14,248,612		

Port Chester - Rye Union Free School District, New York

General Fund
Schedule of Revenues Compared to Budget
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	$ 64,849,248	$ 64,849,248	$ 64,665,837	$ (183,411)
OTHER TAX ITEMS				
School tax relief reimbursement	4,929,292	4,929,292	4,929,292	-
Payments in lieu of taxes	586,402	586,402	946,514	360,112
	5,515,694	5,515,694	5,875,806	360,112
NON-PROPERTY TAXES				
Non-property tax distribution from County	2,500,000	2,500,000	3,328,292	828,292
CHARGES FOR SERVICES				
Transportation for other governments	25,000	25,000	39,006	14,006
Health services - Other districts	10,000	10,000	11,580	1,580
Day school tuition - Other districts	-	-	16,589	16,589
Other	18,000	18,000	12,157	(5,843)
	53,000	53,000	79,332	26,332
USE OF MONEY AND PROPERTY				
Earnings on investments	100,000	100,000	19,363	(80,637)
Rental of real property	215,000	215,000	132,469	(82,531)
	315,000	315,000	151,832	(163,168)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	107,383	107,383

STATE AID				
Basic formula	41,665,408	33,025,447	32,655,243	(370,204)
Lottery aid	-	6,172,744	6,371,542	198,798
BOCES aid	-	2,070,710	2,118,331	47,621
Textbook aid	-	221,657	221,657	-
Computer software aid	-	144,667	144,667	-
Library materials aid	-	30,183	30,183	-
Other	-	-	6,435	6,435
	41,665,408	41,665,408	41,548,058	(117,350)
FEDERAL AID				
Elementary and Secondary School Emergency Relief (ESSER) Fund	-	-	349,482	349,482
Medical assistance	150,000	150,000	175,690	25,690
	150,000	150,000	525,172	375,172
MISCELLANEOUS				
Refund of prior year's expenditures	75,000	75,000	43,440	(31,560)
Refunds of BOCES aided services	200,000	200,000	306,424	106,424
Other	75,000	75,000	171,451	96,451
	350,000	350,000	521,315	171,315
TOTAL REVENUES	$ 115,398,350	$ 115,398,350	$ 116,803,027	$ 1,404,677

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	$ 31,150	$ 27,450	$ 22,759	$ -	$ 4,691
District clerk	15,400	20,000	20,000	-	-
District meeting	29,250	34,650	23,395	10,100	1,155
Total Board of Education	75,800	82,100	66,154	10,100	5,846
CENTRAL ADMINISTRATION					
Chief school administrator	456,304	437,202	435,876	147	1,179
FINANCE					
Business administration	775,800	757,026	742,394	1,750	12,882
Accounting and auditing	116,000	116,001	60,508	44,750	10,743
Treasurer	117,600	124,132	124,132	-	-
Other	11,000	11,100	11,100	-	-
Total Finance	1,020,400	1,008,259	938,134	46,500	23,625
STAFF					
Legal	173,786	199,491	199,491	-	-
Personnel	38,380	41,987	41,987	-	-
Records management officer	5,000	5,000	3,750	1,250	-
Public information and services	92,435	75,547	73,113	-	2,434
Total Staff	309,601	322,025	318,341	1,250	2,434

CENTRAL SERVICES					
Operation of plant	4,624,408	5,648,351	5,524,471	69,463	54,417
Maintenance of plant	2,363,259	4,325,349	3,614,040	93,575	617,734
Central printing and mailing	302,475	294,005	272,827	207	20,971
Central data processing	-	2,268,150	2,268,150	-	-
Total Central Services	7,290,142	12,535,855	11,679,488	163,245	693,122
SPECIAL ITEMS					
Unallocated insurance	415,620	415,620	415,053	-	567
Judgments and claims	10,000	38,276	38,276	-	-
Assessments on school property	72,000	73,610	73,610	-	-
Refund of school property tax	500,000	336,428	336,428	-	-
Administrative charge - BOCES	647,764	647,764	647,764	-	-
Other	149,980	149,980	143,980	-	6,000
Total Special Items	1,795,364	1,661,678	1,655,111	-	6,567
Total General Support	10,947,611	16,047,119	15,093,104	221,242	732,773
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	1,722,112	1,541,063	1,485,676	354	55,033
Supervision - Regular school	3,698,078	3,924,650	3,856,665	13,748	54,237
Research, planning and evaluation	-	111,117	100,663	-	10,454
In-service training - Instruction	186,450	320,879	294,244	-	26,635
Total Instruction, Administration and Improvement	5,606,640	5,897,709	5,737,248	14,102	146,359
TEACHING - REGULAR SCHOOL	35,424,555	33,874,707	33,504,389	182,966	187,352
PROGRAMS FOR STUDENTS WITH DISABILITIES	20,770,703	20,783,151	20,688,918	24,974	69,259
OCCUPATIONAL EDUCATION	688,920	430,575	428,853	1,722	-

(Continued)

Port Chester - Rye Union Free School District, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
INSTRUCTION (Continued)					
TEACHING - SPECIAL SCHOOLS	$ 5,000	$ 19,159	$ 19,159	$ -	$ -
INSTRUCTIONAL MEDIA					
School library and audiovisual	509,516	526,350	518,359	2,701	5,290
Educational television	47,500	86,350	57,664	28,686	-
Computer assisted instruction	1,616,194	719,677	691,392	4,016	24,269
Total Instructional Media	2,173,210	1,332,377	1,267,415	35,403	29,559
PUPIL SERVICES					
Guidance - Regular school	1,422,206	1,528,079	1,525,231	2,621	227
Health services - Regular school	1,018,004	1,061,567	1,015,660	161	45,746
Psychological services - Regular school	1,123,023	1,048,679	1,048,678	-	1
Social work services	418,364	371,969	371,969	-	-
Co-curricular activities - Regular school	277,710	284,010	256,557	2,212	25,241
Interscholastic activities - Regular school	1,184,865	1,024,460	965,102	6,498	52,860
Total Pupil Services	5,444,172	5,318,764	5,183,197	11,492	124,075
Total Instruction	70,113,200	67,656,442	66,829,179	270,659	556,604
PUPIL TRANSPORTATION					
District transportation services	19,658	20,236	20,236	-	-
Contract transportation	3,813,783	3,848,954	3,824,057	-	24,897
Transportation from BOCES	5,000	18,000	18,000	-	-
Total Pupil Transportation	3,838,441	3,887,190	3,862,293	-	24,897
COMMUNITY SERVICES					
Census	57,000	30,986	30,986	-	-

EMPLOYEE BENEFITS					
State retirement	1,550,000	1,139,984	1,139,984	-	-
Teachers' retirement	5,136,010	5,025,975	5,025,975	-	-
Social security	4,820,000	4,511,993	4,511,993	-	-
Workers' compensation benefits	410,000	368,070	368,070	-	-
Life Insurance	11,636	11,636	11,636	-	-
Unemployment benefits	60,000	-	-	-	-
Hospital and medical insurance	11,904,430	11,987,587	11,987,497	-	90
Employee assistance program	229,000	37,209	31,398	-	5,811
Union welfare benefits	797,900	848,151	848,151	-	-
Total Employee Benefits	24,918,976	23,930,605	23,924,704	-	5,901
TOTAL EXPENDITURES	109,875,228	111,552,342	109,740,266	491,901	1,320,175
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	250,000	150,120	150,120	-	-
School Lunch Fund	25,000	25,000	-	-	25,000
Debt Service Fund	6,917,769	6,917,769	6,917,769	-	-
TOTAL OTHER FINANCING USES	7,192,769	7,092,889	7,067,889	-	25,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 117,067,997	$ 118,645,231	$ 116,808,155	$ 491,901	$ 1,345,175

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	2022	2021
ASSETS		
Cash and equivalents	$ 3,688,831	$ 13,777
Receivables		
State and federal aid	4,903,390	2,261,534
Due from other funds	-	3,622,938
	4,903,390	5,884,472
Total Assets	$ 8,592,221	$ 5,898,249
LIABILITIES		
Accounts payable	$ 195,248	$ 68,210
Accrued liabilities	3,612	3,325
Unearned revenues	497,884	26,368
Due to other funds	7,895,477	5,800,346
Total Liabilities	$ 8,592,221	$ 5,898,249

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

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

	2022	2021
REVENUES		
State aid	$ 3,025,086	$ 2,113,497
Federal aid	9,137,759	2,718,789
Miscellaneous	24,471	5,755
Total Revenues	12,187,316	4,838,041
EXPENDITURES		
Current		
Instruction	11,560,938	4,879,286
Pupil transportation	240,363	42,833
Employee benefits	536,135	-
Total Expenditures	12,337,436	4,922,119
Deficiency of Revenues Over Expenditures	(150,120)	(84,078)
OTHER FINANCING SOURCES		
Transfers in	150,120	84,078
Net Change in Fund Balance	-	-
FUND BALANCE		
Beginning of Year	-	-
End of Year	$ -	$ -

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	2022	2021
ASSETS		
Cash and equivalents	$ 4,646,288	$ 13,140,451
Investments	-	14,694
Receivables		
State and Federal aid	304,483	304,483
Due from other funds	-	264,095
	304,483	568,578
Total Assets	$ 4,950,771	$ 13,723,723
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 2,001	$ 120,562
Due to other funds	2,773,474	3,496,738
Total Liabilities	2,775,475	3,617,300
Fund balance		
Restricted	2,175,296	10,106,423
Total Liabilities and Fund Balance	$ 4,950,771	$ 13,723,723

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

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

	2022	2021
REVENUES	$ -	$ -
EXPENDITURES		
Capital outlay	7,931,127	21,531,873
Deficiency of Revenues Over Expenditures	(7,931,127)	(21,531,873)
FUND BALANCE		
Beginning of Year	10,106,423	31,638,296
End of Year	$ 2,175,296	$ 10,106,423

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

Capital Projects Fund
Project-Length Schedule
Inception of Project Through June 30, 2022

Project	Appropriation	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
2017 Bond Referendum				
High School Additions and Reconstruction	$ 49,307,312	$ 42,284,925	$ 3,416,399	$ 45,701,324
Edison Green Space and Reconstruction	440,468	416,764	-	416,764
JFK Additions and Reconstruction	16,354,143	14,316,468	1,508,272	15,824,740
King Street Additions and Reconstruction	10,744,713	10,484,384	236,090	10,720,474
Park Avenue Additions and Reconstruction	3,103,364	2,916,810	-	2,916,810
Total 2017 Bond Referendum	79,950,000	70,419,351	5,160,761	75,580,112
MS Façade and Window Replacement	11,025,000	10,597,808	-	10,597,808
High School Standpipe	550,000	542,924	-	542,924
PA Systems - Districtwide	127,401	-	-	-
Middle School Interior Doors	25,600	11,495	-	11,495
Hurricane Ida Repairs	2,770,366	-	2,770,366	2,770,366
Totals	$ 94,448,367	$ 81,571,578	$ 7,931,127	$ 89,502,705

See independent auditors' report.

Unexpended Balance	Methods of Financing: Proceeds of Obligations	Methods of Financing: Transfers	Methods of Financing: Totals	Fund Balance at June 30, 2022
$ 3,605,988	$ 49,307,312	$ -	$ 49,307,312	$ 3,605,988
23,704	440,468	-	440,468	23,704
529,403	16,354,143	-	16,354,143	529,403
24,239	10,744,713	-	10,744,713	24,239
186,554	3,103,364	-	3,103,364	186,554
4,369,888	79,950,000	-	79,950,000	4,369,888
427,192	11,025,000	-	11,025,000	427,192
7,076	-	550,000	550,000	7,076
127,401	-	127,401	127,401	127,401
14,105	-	25,600	25,600	14,105
-	-	-	-	(2,770,366)
$ 4,945,662	$ 90,975,000	$ 703,001	$ 91,678,001	$ 2,175,296

Port Chester - Rye Union Free School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022
(With Comparative Totals for 2021)

	School Lunch	Special Purpose	Permanent
ASSETS			
Cash and equivalents	$ 1,309,272	$ 179,880	$ 135,150
Receivables			
State and Federal aid	601,698	-	-
Due from other funds	158,077	-	-
	759,775	-	-
Inventories	43,444	-	-
Total Assets	$ 2,112,491	$ 179,880	$ 135,150
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	$ 154,901	$ -	$ -
Accrued liabilities	-	-	-
Unearned revenues	16,078	-	-
Due to other funds	-	34,293	-
Total Liabilities	170,979	34,293	-
Fund balances (deficits)			
Nonspendable	43,444	-	135,589
Restricted	-	145,587	-
Assigned	1,898,068	-	-
Unassigned	-	-	(439)
Total Fund Balances (Deficits)	1,941,512	145,587	135,150
Total Liabilities and Fund Balances (Deficits)	$ 2,112,491	$ 179,880	$ 135,150

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds 2022	2021
$ 2,996,744	$ 4,621,046	$ 297,982
-	601,698	547,829
11,590	169,667	4,242,538
11,590	771,365	4,790,367
-	43,444	50,153
$ 3,008,334	$ 5,435,855	$ 5,138,502
$ -	$ 154,901	$ 118,174
-	-	2,144
-	16,078	16,069
-	34,293	392,280
-	205,272	528,667
-	179,033	185,742
3,008,334	3,153,921	3,652,160
-	1,898,068	771,933
-	(439)	-
3,008,334	5,230,583	4,609,835
$ 3,008,334	$ 5,435,855	$ 5,138,502

Port Chester - 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, 2022
(With Comparative Totals for 2021)

	School Lunch	Special Purpose	Permanent
REVENUES			
Use of money and property	$ 134	$ 128	$ -
State aid	52,147	-	-
Federal aid	3,206,241	-	-
Food sales	74,927	-	-
Miscellaneous	-	167,046	-
Total Revenues	3,333,449	167,174	-
EXPENDITURES			
Current			
Cost of food sales	2,214,023	-	-
Other	-	165,301	12,147
Debt service			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	2,214,023	165,301	12,147
Excess (Deficiency) of Revenues Over Expenditures	1,119,426	1,873	(12,147)
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Net Change in Fund Balances	1,119,426	1,873	(12,147)
FUND BALANCES			
Beginning of Year	822,086	143,714	147,297
End of Year	$ 1,941,512	$ 145,587	$ 135,150

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds 2022	2021
$ 11,596	$ 11,858	$ 53,458
-	52,147	42,937
-	3,206,241	1,277,260
-	74,927	7,590
-	167,046	90,137
11,596	3,512,219	1,471,382
-	2,214,023	1,050,660
-	177,448	95,364
4,705,000	4,705,000	4,615,000
2,712,769	2,712,769	2,796,418
7,417,769	9,809,240	8,557,442
(7,406,173)	(6,297,021)	(7,086,060)
6,917,769	6,917,769	7,354,403
(488,404)	620,748	268,343
3,496,738	4,609,835	4,341,492
$ 3,008,334	$ 5,230,583	$ 4,609,835

Port Chester - Rye Union Free School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	2022	2021
ASSETS		
Cash and equivalents	$ 1,309,272	$ 11,971
Receivables		
State and Federal aid	601,698	547,829
Due from other funds	158,077	740,800
	759,775	1,288,629
Inventories	43,444	50,153
Total Assets	$ 2,112,491	$ 1,350,753
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 154,901	$ 118,174
Accrued liabilities	-	2,144
Unearned revenues	16,078	16,069
Due to other funds	-	392,280
Total Liabilities	170,979	528,667
Fund balance		
Nonspendable	43,444	50,153
Assigned	1,898,068	771,933
Total Fund Balance	1,941,512	822,086
Total Liabilities and Fund Balance	$ 2,112,491	$ 1,350,753

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

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

	2022	2021
REVENUES		
Use of money and property	$ 134	$ 210
State aid	52,147	42,937
Federal aid	3,206,241	1,277,260
Food sales	74,927	7,590
Miscellaneous	-	16
Total Revenues	3,333,449	1,328,013
EXPENDITURES		
Current		
Cost of food sales	2,214,023	1,050,660
Excess of Revenues Over Expenditures	1,119,426	277,353
FUND BALANCE		
Beginning of Year	822,086	544,733
End of Year	$ 1,941,512	$ 822,086

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	2022	2021
ASSETS		
Cash and equivalents	$ 179,880	$ 138,714
Due from other funds	-	5,000
Total Assets	$ 179,880	$ 143,714
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	$ 34,293	$ -
Fund balance		
Restricted	145,587	143,714
Total Liabilities and Fund Balances	$ 179,880	$ 143,714

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

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

	2022	2021
REVENUES		
Use of money and property	$ 128	$ 216
Miscellaneous	167,046	90,121
Total Revenues	167,174	90,337
EXPENDITURES		
Current		
Other	165,301	94,210
Excess (Deficiency) of Revenues Over Expenditures	1,873	(3,873)
FUND BALANCE		
Beginning of Year	143,714	147,587
End of Year	$ 145,587	$ 143,714

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

Permanent Fund
Comparative Balance Sheet
June 30,

	2022	2021
ASSETS		
Cash and equivalents	$ 135,150	$ 147,297
FUND BALANCE		
Nonspendable	$ 135,589	$ 135,589
Restricted	-	11,708
Unassigned	(439)	-
Total Fund Balance	$ 135,150	$ 147,297

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

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

	2022	2021
REVENUES	$ -	$ -
EXPENDITURES		
Current		
Other	12,147	1,154
Deficiency of Revenues Over Expenditures	(12,147)	(1,154)
FUND BALANCE		
Beginning of Year	147,297	148,451
End of Year	$ 135,150	$ 147,297

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	2022	2021
ASSETS		
Cash and equivalents	$ 2,996,744	$ -
Due from other funds	11,590	3,496,738
Total Assets	$ 3,008,334	$ 3,496,738
FUND BALANCE		
Restricted	$ 3,008,334	$ 3,496,738

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

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

	2022	2021
REVENUES		
Use of money and property	$ 11,596	$ 53,032
EXPENDITURES		
Debt service		
General obligation serial bonds		
Principal	4,705,000	4,615,000
Interest	2,712,769	2,796,418
	7,417,769	7,411,418
Deficiency of Revenues Over Expenditures	(7,406,173)	(7,358,386)
OTHER FINANCING SOURCES		
Transfers in	6,917,769	7,354,403
Net Change in Fund Balance	(488,404)	(3,983)
FUND BALANCE		
Beginning of Year	3,496,738	3,500,721
End of Year	$ 3,008,334	$ 3,496,738

See independent auditors' report.

General Fund
Analysis of Change from Adopted Budget to Final Budget
Year Ended June 30, 2022

Adopted Budget	$ 116,509,250
Additions -	
Encumbrances	558,747
Original Budget	117,067,997
Budget Amendments	1,577,234
Final Budget	$ 118,645,231

General Fund
Section 1318 of Real Property Tax Law Limit Calculation
Year Ended June 30, 2022

2022-23 Expenditure Budget		$ 125,982,994
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	$ 921,402	
Unassigned fund balance	5,039,320	
Total Unrestricted Fund Balance	5,960,722	
Less		
Encumbrances	491,901	
Appropriated for subsequent year's budget	429,501	
Total Adjustments	921,402	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 5,039,320
Actual Percentage		4.00%

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2022

Capital Assets, net		$ 112,119,195
Less		
General obligation bonds payable	$ (80,070,000)	
Unamortized portion of issuance premium on bonds	(6,913,685)	(86,983,685)
Plus		
Unexpended bond proceeds	4,797,080	
Unamortized portion of loss on refunding bonds	43,501	4,840,581
Net Investment in Capital Assets		$ 29,976,091

See independent auditors' report.

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PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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
Port Chester - 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 Port Chester - Rye Union Free School District, New York ("School District") as of and for the year ended June 30, 2022, 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 6, 2022.

Report on 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 School District'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 or significant deficiencies may exist that were not identified.

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Report on 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District'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 6, 2022

Report on Compliance For Each Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

The Board of Education of the
Port Chester - Rye Union Free School District, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Port Chester-Rye Union Free School District, New York's ("School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards"*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
October 6, 2022

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Port Chester - Rye Union Free School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub-recipients	Total Federal Expenditures
U.S. Department of Agriculture				
Indirect Programs - Passed through New York State Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	$ -	$ 646,157
National School Lunch Program - Commodities	10.555	N/A	-	174,099
National School Lunch Program - Cash	10.555	N/A	-	2,152,741
Subtotal Child Nutrition Cluster			-	2,972,997
State Pandemic EBT Administrative Costs Grant	10.649	N/A	-	233,244
Total U.S. Department of Agriculture			-	3,206,241
U.S. Department of Education				
Indirect Programs - Passed through New York State Department of Education				
Title I Grants to Local Educational Agencies	84.010	021-22-3795	-	1,067,335
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	032-22-1093	-	1,175,076
Special Education - Preschool Grants	84.173	033-22-1093	-	38,536
Subtotal Special Education Cluster			-	1,213,612
Education for Homeless Children and Youth	84.196	212-22-4051	-	31,273
English Language Acquisition State Grants	84.365	293-22-3795	-	297,954
Supporting Effective Instruction State Grants	84.367	147-22-3795	-	167,151
Student Support and Academic Enrichment Program	84.424	204-22-3795	-	103,307
Governor's Emergency Education Relief (GEER) Fund (CARES)	84.425C	5895-21-3795	-	4,000
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425D	5890-21-3795	-	349,482
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425D	5891-21-3795	-	716,381
American Rescue Plan (ARP) ESSER II	84.425U	5875-22-0005	-	95,950
American Rescue Plan (ARP) ESSER II	84.425U	5880-21-3795	-	2,454,304
American Rescue Plan (ARP) ESSER II	84.425U	5882-21-3795	-	117,458
American Rescue Plan (ARP) ESSER II	84.425U	5883-21-3795	-	736,924
American Rescue Plan (ARP) ESSER II	84.425U	5884-21-3795	-	2,132,110
			-	6,606,609
Total U.S. Department of Education			-	9,487,241
Total Expenditures of Federal Awards			$ -	$ 12,693,482

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Port Chester - Rye Union Free School District, New York (“School District”) under programs of the federal government for the year ended June 30, 2022. Federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200*, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Port Chester - Rye Union Free School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____Yes __X__No
- Significant deficiency(ies) identified? ____Yes __X__None reported

Noncompliance material to financial statements noted? ____Yes __X__No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ____Yes __X__No
- Significant deficiency(ies) identified? ____Yes __X__None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____Yes __X__No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425C	Governor's Emergency Education Relief (GEER) Fund (CARES)
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)
84.425U	American Rescue Plan (ARP) ESSER II
84.365	English Language Acquisition State Grants

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? __X__Yes _____No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022

None