Port Chester - Rye Union Free School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2021

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 Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit 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, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the School District as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated October 13, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
October 7, 2021

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, 2021. 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 2020-2021 are as follows:

- At the close of the current fiscal year, the School District's General Fund shows an ending fund balance of $14,248,612, an increase of $576,746 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 $4,660,369, or 4%.

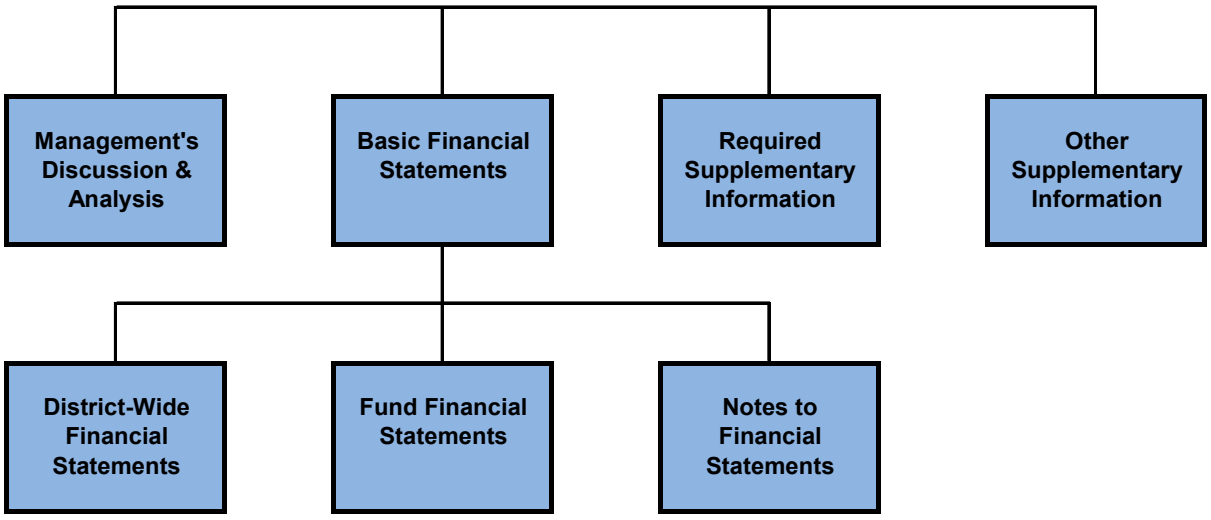
- During the current fiscal year, the School District retired $4,615,000 of serial bonds issued in previous years for various capital projects.

- 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 $63,285,474. This represented a decrease of $12,110,053 for the year ended June 30, 2021, inclusive of an adjustment of $58,478 for the cumulative effect of a change in accounting principle due to the implementation of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". In accordance with GASB Statement No. 84, the School District determined that the extra classroom activity funds should be reported with governmental activities (and governmental funds) and not within fiduciary funds.

- The School District is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the School District has recognized substantial liabilities in the district-wide financial statements for these benefits. As of June 30, 2021, the School District had liabilities of $155,499,316 for other postemployment benefits recorded in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"). The School District also reported $7,542,025 for its proportionate share of the net pension liabilities of the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS") recorded in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*". More detailed information about the School District's OPEB and pension reporting is presented in Note 3D in the notes to financial statements.

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, 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 $63,285,474.

	June 30, 2021	June 30, 2020
Current Assets	$ 36,168,987	$ 67,850,076
Capital Assets, net	107,542,482	86,847,534
Total Assets	143,711,469	154,697,610
Deferred Outflows of Resources	71,795,085	43,378,016
Current Liabilities	7,426,935	11,079,221
Long-term Liabilities	258,819,727	227,776,998
Total Liabilities	266,246,662	238,856,219
Deferred Inflows of Resources	12,545,366	10,394,828
Net Position		
Net Investment in Capital Assets	25,453,906	21,272,638
Restricted		
Capital Projects	148,582	148,582
Debt Service	3,496,738	3,500,721
Tax Certiorari	4,112,638	2,577,671
ERS and TRS Retirement Contributions	2,444,150	2,144,150
Unemployment	500,000	500,000
Special Purposes	143,714	89,109
Permanent fund	147,297	148,451
Unrestricted	(99,732,499)	(81,556,743)
Total Net Position	$ (63,285,474)	$ (51,175,421)

Current assets decreased by $31,681,089 from the prior year. Cash and equivalents and investments decreased by $27,349,757 primarily from capital project expenditures in the current year from bond proceeds received in the prior year. The net pension asset for the TRS decreased by $6,932,810 due to investment losses by the retirement system for its fiscal year ending June 30, 2020. Deferred outflows of resources increased by $28,417,069, primarily from an increase in OPEB related deferred outflows.

Long-term liabilities, which consist of general obligation bonds and net pension and OPEB liabilities, increased by $31,042,729 from the previous year. The OPEB liability increased by $35,506,108 primarily due to a decline in the discount rate. The net pension liabilities to ERS and TRS also increased by a net of $7,965,836 due to investment losses for TRS for its fiscal year ending June 30, 2020 partially offset by investment gains for ERS for its fiscal year ending March 31, 2021. The School District also retired $4,615,000 in previously issued bonded indebtedness.

A large component of the School District's net position ($25,453,906) 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 $10,993,119 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 $99,732,499 primarily a result of the recognition of the OPEB liabilities. Overall, net position decreased by $12,110,053.

Changes in Net Position

	June 30, 2021	June 30, 2020
REVENUES		
Program Revenues		
Charges for Services	$ 100,793	$ 497,394
Operating Grants and Contributions	7,754,885	8,090,483
Capital Grants and Contributions	53,032	655,327
Total Program Revenues	7,908,710	9,243,204
General Revenues		
Real Property Taxes	62,329,650	60,203,990
Other Tax Items	7,198,186	8,213,616
Non-Property Taxes	2,999,571	2,467,575
Unrestricted Use of Money and Property	47,286	282,112
Sale of Property and Compensation for Loss	1,955	5,930
Unrestricted State Aid	31,611,169	29,261,270
Miscellaneous	736,658	695,899
Total General Revenues	104,924,475	101,130,392
Total Revenues	112,833,185	110,373,596
PROGRAM EXPENSES		
General Support	12,669,407	11,615,078
Instruction	105,330,020	96,431,765
Pupil Transportation	3,439,803	3,367,986
Community Services	29,375	34,066
Cost of Food Sales	1,050,660	1,865,886
Other	95,364	39,650
Interest	2,387,087	1,280,445
Total Expenses	125,001,716	114,634,876
Change in Net Position	(12,168,531)	(4,261,280)
NET POSITION		
Beginning, as reported	(51,175,421)	(46,361,772)
Prior Period Adjustment	-	(552,369)
Cummulative Effect of Change in Accounting Principle	58,478	-
Beginning, as restated	(51,116,943)	(46,914,141)
Ending	$ (63,285,474)	$ (51,175,421)

The following are the major changes in Net Position:

Revenues:

- Real property taxes increased by $2,125,660, or 3.53%. 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.

- 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 $416,592 during the 2020-2021 fiscal year. PILOT payments also declined in the current year by $598,838.

- The receipt of sales tax revenue increased by $531,996, or 21,56%, due to an increase in Westchester County's sales tax rate and increased internet sales collections during the COVID-19 pandemic.

- Revenue from interest decreased by $234,826, or 83.24%, as a result of interest rate reductions due to the effects of the COVID -19 pandemic.

Expenses:

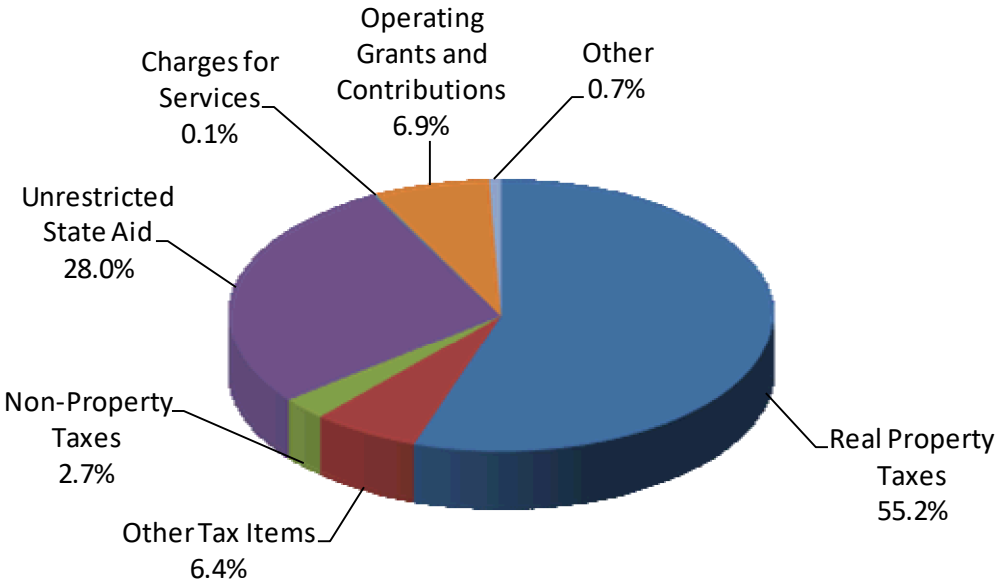
- Instructional program expenses increased by $8,898,255, or 9.23%, over the prior year primarily as a result of the increase in pension and OPEB liabilities and contractual salary increases.

- General support expenses increased by $1,054,329, or 9.08% over the prior year primarily as a result of increased buildings operations costs compared to the previous year and increased tax certiorari payments.

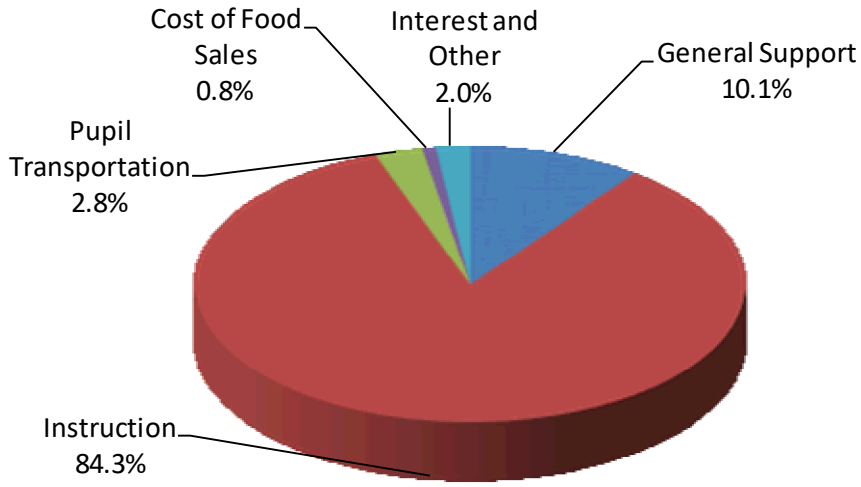
- Interest expense increase by $1,106,642, or 86.43%, over the prior year due to the first time interest payments due on the $83.4 million bond issuance during the prior fiscal year.

The following graphs depict where the School District revenues were derived and how monies were spent. Real property taxes (55.2%) and Unrestricted State Aid (28.0%) represent 83.2% of the School District's revenue, while the School District's largest expense, instructional costs, accounts for 84.3% of total expenses.

Sources of Revenue for Fiscal Year 2021
Governmental Activities



Expenses for Fiscal Year 2021
Governmental Activities



Financial Analysis of the School District's Funds

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

Governmental Funds

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government'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 $28,964,870, a decrease of $20,686,784 from the amount of $49,651,654 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,	
	2021	2020
Nonspendable:		
Inventories	$ 50,153	$ 32,376
Permanent Fund	135,589	135,589
Total Nonspendable	185,742	167,965
Restricted:		
Tax Certiorari	4,112,638	2,577,671
Employee Benefit Accrued Liability	861,808	861,808
ERS Retirement Contributions	1,679,550	1,679,550
TRS Retirement Contributions	764,600	464,600
Debt Service	1,093,838	3,500,721
Debt Service - for subsequent year's expenditures	2,402,900	-
Capital Projects	10,106,423	31,638,296
Unemployment Benefits	500,000	500,000
Permanent Fund	11,708	12,862
Special Purposes	143,714	147,587
Total Restricted	21,677,179	41,383,095
Assigned:		
Purchases On Order:		
General Government Support	418,797	798,295
Instruction	139,950	88,716
	558,747	887,011
For Subsequent Year's Expenditures - General Fund	1,110,900	1,200,000
School Lunch Fund	771,933	512,357
Total Assigned	2,441,580	2,599,368
Unassigned		
General Fund	4,660,369	5,501,226
Total Fund Balances	$ 28,964,870	$ 49,651,654

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 $14,248,612. This represents an increase of $576,746 from the prior year. The amount of the unassigned fund balance is $4,660,369, 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 – 2020-2021

The original, voter approved adopted budget of $109,405,243 was increased by $887,011 as a result of the rollover of prior year encumbrances for a total original budget of $110,292,254. No additional budget amendments occurred during the fiscal year.

Revenue Highlights include:

- Revenue was lower than budget by $1,207,656
- $395,135 shortage in real property taxes caused by residential property tax refunds related to the 2020-2021 fiscal year
- $799,571 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 2020-2021 fiscal year
- $352,714 shortage in earnings on investments due to sharp drop in interest rates caused by the COVID-19 pandemic

Expenditure Highlights include:

- Expenditures and encumbrances are $3,312,666 below the final budget
- General Support is $306,845 below budget primarily due to savings in central services due to the school closures caused by the COVID -19 pandemic
- Instruction is $2,835,724 below budget due to pandemic related savings in programs for students with disabilities, computer assisted instruction and interscholastic activities

Fund Balance Highlights include:

- The June 30, 2021 fund balance in the General Fund is $14,248,612 increasing by $576,746 from the prior year
- The School District increased the TRS retirement contributions reserve by $300,000
- The School District increased its tax certiorari reserve by $1,534,967
- Unassigned fund balance decreased by $840,857 and the amount is at the 4% maximum allowed by New York State

Capital Assets

As of June 30, 2021, the School District had $107,542,482, 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.

	June 30,	
Class	2021	2020
Land	$ 911,250	$ 911,250
Construction-in-Progress	80,987,262	59,455,389
Buildings and Improvements	25,066,127	25,775,552
Site Improvements	28,810	69,095
Vehicles	93,134	125,789
Furniture and Equipment	455,899	510,459
Total Capital Assets, net of Accumulated depreciation	$ 107,542,482	$ 86,847,534

The change in capital assets during the current fiscal year results from the ongoing activity authorized under the 2017 Bond Referendum and the MS Façade and Window Replacement 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, 2021	June 30, 2020
Bonds Payable, net	$ 92,111,090	$ 97,154,689
Compensated Absences	3,667,296	4,120,102
Net Pension Liability - ERS	24,443	6,508,999
Net Pension Liability (Asset) - TRS	7,517,582	(6,932,810)
Other Post Employment Benefit Obligations	155,499,316	119,993,208
Total	$ 258,819,727	$ 220,844,188

The School District recorded its net pension liability to ERS and TRS as required by the provisions of GASB Statement No. 68. The School District's other postemployment benefit liability was recorded in accordance with the provisions of GASB Statement No. 75. This liability will continue to grow as the School District is permitted at this time by New York State only to fund its pay-as-you-go obligations for health insurance.

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

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 chart below shows, in 2020-2021 there was a decrease from the 2019-2020 school year due to the impact of the COVID-19 pandemic. With the exception of 2016-2017, 2017-2018 and 2020-2021, 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 2021-2022 school year is projected to exceed 4,705 students.

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
K-5	2,116	2,154	2,206	2,161	2,161	2,218	2,139	2,060	2,065	2,073	2,116
6-8	884	880	908	997	1,039	1,107	1,077	1,074	1,075	1,079	1,061
9-12	1,183	1,199	1,255	1,262	1,318	1,345	1,436	1,489	1,515	1,618	1,528
Total	4,183	4,233	4,369	4,420	4,518	4,670	4,652	4,623	4,655	4,770	4,705

Budget:

The School District is dependent upon real property taxes as they represent approximately 58% 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

Port Chester - Rye Union Free School District, New York

Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and equivalents	$ 444,803
Investments	27,056,564
Receivables	
Accounts	166,985
State and Federal aid	6,802,478
Due from other governments	1,648,004
Inventories	50,153
Capital assets	
Not being depreciated	81,898,512
Being depreciated, net	25,643,970
Total Assets	143,711,469
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	64,673
Pension related	31,280,577
OPEB related	40,449,835
Total Deferred Outflows of Resources	71,795,085
LIABILITIES	
Accounts payable	1,374,509
Accrued liabilities	97,228
Deposits	9,030
Employee payroll deductions	9,375
Unearned revenues	333,683
Due to retirement systems	5,380,292
Accrued interest payable	222,818
Non-current liabilities	
Due within one year	5,072,000
Due in more than one year	253,747,727
Total Liabilities	266,246,662
DEFERRED INFLOWS OF RESOURCES	
Pension related	11,883,919
OPEB related	661,447
Total Deferred Inflows of Resources	12,545,366
NET POSITION	
Net investment in capital assets	25,453,906
Restricted	
Capital projects	148,582
Debt service	3,496,738
Tax certiorari	4,112,638
ERS Retirement contributions	1,679,550
TRS Retirement contributions	764,600
Unemployment benefits	500,000
Special purposes	143,714
Permanent fund	147,297
Unrestricted	(99,732,499)
Total Net Position	$ (63,285,474)

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, 2021

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	$ 12,669,407	$ 53,898	$ -	$ -	$ (12,615,509)
Instruction	105,330,020	10,910	6,301,292	-	(99,017,818)
Pupil transportation	3,439,803	28,395	42,833	-	(3,368,575)
Community services	29,375	-	-	-	(29,375)
Cost of food sales	1,050,660	7,590	1,320,423	-	277,353
Other	95,364	-	90,337	-	(5,027)
Interest	2,387,087	-	-	53,032	(2,334,055)
Total Governmental Activities	$ 125,001,716	$ 100,793	$ 7,754,885	$ 53,032	(117,093,006)
General revenues					
Real property taxes					62,329,650
Other tax items					
School tax relief reimbursement					5,658,537
Payments in lieu of taxes					1,539,649
Non-property taxes					
Non-property tax distribution from County					2,999,571
Unrestricted use of money and property					47,286
Sale of property and compensation for loss					1,955
Unrestricted State aid					31,611,169
Miscellaneous					736,658
Total General Revenues					104,924,475
Change in Net Position					(12,168,531)
Net Position - Beginning, as reported					(51,175,421)
Cumulative Effect of Change in Accounting Principle					58,478
Net Position - Beginning, as restated					(51,116,943)
Net Position - Ending					$ (63,285,474)

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, 2021

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	$ 129,650	$ 13,777	$ 3,394
Investments	13,904,813	-	13,151,751
Receivables			
Accounts	166,985	-	-
State and Federal aid	3,688,632	2,261,534	304,483
Due from other governments	1,648,004	-	-
Due from other funds	11,670,447	3,622,938	264,095
Inventories	-	-	-
Total Assets	$ 31,208,531	$ 5,898,249	$ 13,723,723
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 1,067,563	$ 68,210	$ 120,562
Accrued liabilities	91,759	3,325	-
Deposits	9,030	-	-
Employee payroll deductions	9,375	-	-
Unearned revenues	291,246	26,368	-
Due to other funds	10,110,654	5,800,346	3,496,738
Due to retirement systems	5,380,292	-	-
Total Liabilities	16,959,919	5,898,249	3,617,300
Fund balances			
Nonspendable	-	-	-
Restricted	7,918,596	-	10,106,423
Assigned	1,669,647	-	-
Unassigned	4,660,369	-	-
Total Fund Balances	14,248,612	-	10,106,423
Total Liabilities and Fund Balances	$ 31,208,531	$ 5,898,249	$ 13,723,723

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

Non-Major Governmental	Total Governmental Funds
$ 297,982	$ 444,803
-	27,056,564
-	166,985
547,829	6,802,478
-	1,648,004
4,242,538	19,800,018
50,153	50,153
$ 5,138,502	$ 55,969,005
$ 118,174	$ 1,374,509
2,144	97,228
-	9,030
-	9,375
16,069	333,683
392,280	19,800,018
-	5,380,292
528,667	27,004,135
185,742	185,742
3,652,160	21,677,179
771,933	2,441,580
-	4,660,369
4,609,835	28,964,870
$ 5,138,502	$ 55,969,005

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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, 2021

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

Total Fund Balances - Governmental Funds	$ 28,964,870
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	81,898,512
Capital assets - depreciable	65,570,074
Accumulated depreciation	(39,926,104)
	107,542,482
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	31,280,577
Deferred outflows - OPEB related	40,449,835
Deferred inflows - pension related	(11,883,919)
Deferred inflows - OPEB related	(661,447)
	59,185,046
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(222,818)
General obligation bonds payable	(84,775,000)
Compensated absences	(3,667,296)
Net pension liability - ERS	(24,443)
Net pension liability - TRS	(7,517,582)
Total OPEB Liability	(155,499,316)
	(251,706,455)
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 amount on refunding	64,673
Premium on general obligation bonds	(7,336,090)
	(7,271,417)
Net Position of Governmental Activities	$ (63,285,474)

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, 2021

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	$ 62,329,650	$ -	$ -
Other tax items	7,198,186	-	-
Non-property taxes	2,999,571	-	-
Charges for services	39,305	-	-
Use of money and property	101,184	-	-
Sale of property and compensation for loss	1,955	-	-
State aid	32,482,761	2,113,497	-
Federal aid	1,108,317	2,718,789	-
Food sales	-	-	-
Miscellaneous	736,658	5,755	-
Total Revenues	106,997,587	4,838,041	-
EXPENDITURES			
Current			
General support	10,958,048	-	-
Instruction	62,349,355	4,879,286	-
Pupil transportation	3,384,922	42,833	-
Community services	29,375	-	-
Employee benefits	22,260,660	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	21,531,873
Total Expenditures	98,982,360	4,922,119	21,531,873
Excess (Deficiency) of Revenues Over Expenditures	8,015,227	(84,078)	(21,531,873)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	84,078	-
Transfers out	(7,438,481)	-	-
Total Other Financing Sources (Uses)	(7,438,481)	84,078	-
Net Change in Fund Balances	576,746	-	(21,531,873)
FUND BALANCES (DEFICITS)			
Beginning of Year, as restated	13,671,866	-	31,638,296
End of Year	$ 14,248,612	$ -	$ 10,106,423

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

Non-Major Governmental	Total Governmental Funds
$ -	$ 62,329,650
-	7,198,186
-	2,999,571
-	39,305
53,458	154,642
-	1,955
42,937	34,639,195
1,277,260	5,104,366
7,590	7,590
90,137	832,550
1,471,382	113,307,010
-	10,958,048
-	67,228,641
-	3,427,755
-	29,375
-	22,260,660
1,050,660	1,050,660
95,364	95,364
4,615,000	4,615,000
2,796,418	2,796,418
-	21,531,873
8,557,442	133,993,794
(7,086,060)	(20,686,784)
7,354,403	7,438,481
-	(7,438,481)
7,354,403	-
268,343	(20,686,784)
4,341,492	49,651,654
$ 4,609,835	$ 28,964,870

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

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

Net Change in Fund Balances - Total Governmental Funds	$ (20,686,784)
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	21,531,873
Depreciation expense	(836,925)
	20,694,948
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
State aid	(473,825)
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	4,615,000
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	6,138
Compensated absences	452,806
Changes in pension liabilities and related deferred outflows and inflows of resources	(4,980,315)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(12,199,692)
Amortization of loss on refunding and issuance premium	403,193
	(16,317,870)
Change in Net Position of Governmental Activities	$ (12,168,531)

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 62,724,785	$ 62,724,785	$ 62,329,650	$ (395,135)
Other tax items	7,869,054	7,869,054	7,198,186	(670,868)
Non-property taxes	2,200,000	2,200,000	2,999,571	799,571
Charges for services	93,000	93,000	39,305	(53,695)
Use of money and property	615,002	615,003	101,184	(513,819)
Sale of property and compensation for loss	17,000	17,000	1,955	(15,045)
State aid	34,103,904	32,721,549	32,482,761	(238,788)
Federal aid	200,000	1,582,355	1,108,317	(474,038)
Miscellaneous	382,498	382,497	736,658	354,161
Total Revenues	108,205,243	108,205,243	106,997,587	(1,207,656)
EXPENDITURES				
Current				
General support	10,519,914	11,683,690	10,958,048	725,642
Instruction	65,427,799	65,325,029	62,349,355	2,975,674
Pupil transportation	3,747,070	3,384,922	3,384,922	-
Community services	57,000	29,375	29,375	-
Employee benefits	22,911,068	22,264,835	22,260,660	4,175
Total Expenditures	102,662,851	102,687,851	98,982,360	3,705,491
Excess of Revenues Over Expenditures	5,542,392	5,517,392	8,015,227	2,497,835
OTHER FINANCING USES				
Transfers out	(7,629,403)	(7,604,403)	(7,438,481)	165,922
Net Change in Fund Balance	(2,087,011)	(2,087,011)	576,746	2,663,757
FUND BALANCE				
Beginning of Year	2,087,011	2,087,011	13,671,866	11,584,855
End of Year	$ -	$ -	$ 14,248,612	$ 14,248,612

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*. 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 capital leases are reported as other financing sources.

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

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

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 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, 2021 is $27,056,564 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, 2021.

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

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, 2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of surplus food 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 $291,246 for fees received in advance in the General Fund, $26,368 for State and Federal aid received in advance in the Special Aid Fund and $16,069 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 position 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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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

The School District 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, unemployment benefits, 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 7, 2021.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the 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 that can be retained, with certain exceptions. 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. Adoption of Accounting Standard

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

E. Reclassification of Prior Year Presentation

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

F. Cumulative Effect of Change in Accounting Principle

The School District implemented the provisions of GASB Statement No.84, *"Fiduciary Activities"*, for the year ended June 30, 2021. Certain amounts previously reported in the School District's Fiduciary Fund are now being reported within the Special Purpose Fund and/or the General Fund. As a result, the School District has reported a cumulative effect of change in accounting principle of $92,140 to the July 1, 2019 fund balance of the Special Purpose Fund (the earliest year presented). The School District also reported on its Statement of Activities a cumulative effect of change in accounting principle of $58,478 to the July 1, 2020 net position of governmental activities for this same reason.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

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

Fund	Due From	Due To
General	$ 11,670,447	$ 10,110,654
Special Aid	3,622,938	5,800,346
Capital Projects	264,095	3,496,738
Non-Major Governmental	4,242,538	392,280
	$ 19,800,018	$ 19,800,018

Note 3 - Detailed Notes on All Funds (Continued)

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.

B. Capital Assets

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

Class	Balance, July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, not being depreciated:				
Land	$ 911,250	$ -	$ -	$ 911,250
Construction-in-progress	59,455,389	21,531,873	-	80,987,262
	$ 60,366,639	$ 21,531,873	$ -	$ 81,898,512
Capital Assets, being depreciated:				
Buildings and Improvements	$ 62,553,379	$ -	$ -	$ 62,553,379
Site improvements	1,287,883	-	-	1,287,883
Vehicles	489,361	-	-	489,361
Furniture and Equipment	1,239,451	-	-	1,239,451
Total Capital Assets, being depreciated	65,570,074	-	-	65,570,074
Less Accumulated Depreciation for:				
Buildings and Improvements	36,777,827	709,425	-	37,487,252
Site improvements	1,218,788	40,285	-	1,259,073
Vehicles	363,572	32,655	-	396,227
Furniture and Equipment	728,992	54,560	-	783,552
Total Accumulated Depreciation	39,089,179	836,925	-	39,926,104
Total Capital Assets, being depreciated, net	$ 26,480,895	$ (836,925)	$ -	$ 25,643,970
Capital Assets, net	$ 86,847,534	$ 20,694,948	$ -	$ 107,542,482

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

General Support	$ 60,091
Instruction	776,583
Transportation	251
Total Depreciation Expense	$ 836,925

Note 3 - Detailed Notes on All Funds (Continued)

C. Accrued Liabilities

Accrued liabilities at June 30, 2021 were as follows:

	Fund			
	General	Special Aid	Non-Major Governmental	Total
Payroll and employee benefits	$ 91,759	$ 3,325	$ 2,144	$ 97,228

D. Long-Term Liabilities

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

	Balance July 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2021	Due Within One-Year
General Obligation Bonds Payable	$ 89,390,000	$ -	$ 4,615,000	$ 84,775,000	$ 4,705,000
Plus - Unamortized premium on bonds	7,764,689	-	428,599	7,336,090	-
	97,154,689	-	5,043,599	92,111,090	4,705,000
Other Non-current Liabilities:					
Compensated Absences	4,120,102	-	452,806	3,667,296	367,000
Net Pension Liability - ERS	6,508,999	-	6,484,556	24,443	-
Net Pension Liability (Asset) - TRS	(6,932,810)	14,450,392	-	7,517,582	-
Other Postemployment Benefit Liability	119,993,208	37,967,848	2,461,740	155,499,316	-
Total Long-Term Liabilities	$ 220,844,188	$ 52,418,240	$ 14,442,701	$ 258,819,727	$ 5,072,000

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, 2021 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2021
Serial Bonds - QZAB	2007	$ 17,000,000	October, 2021	0.000 %	$ 1,300,000
Refunding Bonds	2015	5,195,000	June, 2026	2.000 - 4.000	2,825,000
Serial Bonds	2020	83,465,000	June, 2040	2.000 - 5.000	80,650,000
					$ 84,775,000

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of $2,796,418 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of $2,387,087 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2021, including interest payments of $24,337,446 are as follows:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2022	$ 4,705,000	$ 2,712,769
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
2027-2031	20,185,000	7,388,994
2032-2036	23,725,000	3,851,544
2037-2040	20,825,000	1,231,163
	$ 84,775,000	$ 24,337,446

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

	Tier/Plan	Rate
ERS	1 75I	21.4 %
	3 A14	16.1
	4 A15	16.1
	5 A15	13.4
	6 A15	9.6
TRS	1-6	9.53 %

Note 3 - Detailed Notes on All Funds (Continued)

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

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	$ 24,443	$ 7,517,582
School Districts' proportion of the net pension liability	0.0245477 %	0.272054 %
Change in proportion since the prior measurement date	(0.0000326) %	0.005203 %

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

For the year ended June 30, 2021, the School District recognized its proportionate share of pension expense in the district-wide financial statements of $10,559,061 ($620,492 for ERS and $9,938,569 for TRS). Pension expenditures of $5,578,746 were recorded in the fund financial statements ($1,122,356 for ERS and $4,456,390 for TRS) in the General Fund.

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

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 298,517	$ -	$ 6,586,906	$ 385,262
Changes of assumptions	4,494,302	84,764	9,507,992	3,389,102
Net difference between projected and actual earnings on pension plan investments	-	7,021,504	4,909,640	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	175,425	44,305	505,715	958,982
School District contributions subsequent to the measurement date	343,733	-	4,458,347	-
	$ 5,311,977	$ 7,150,573	$ 25,968,600	$ 4,733,346

Note 3 - Detailed Notes on All Funds (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,885,423	$ 385,262
Changes of assumptions	14,002,294	3,473,866
Net difference between projected and actual earnings on pension plan investments	4,909,640	7,021,504
Changes in proportion and differences between School District contributions and proportionate share of contributions	681,140	1,003,287
School District contributions subsequent to the measurement date	4,802,080	-
	$ 31,280,577	$ 11,883,919

$343,733 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2022. The $4,458,347 reported as deferred outflows of resources related to TRS will be recognized as a reduction of the net pension liability in the plan's year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2021	$ -	$ 2,750,655
2022	(369,368)	5,733,818
2023	(112,725)	4,754,905
2024	(360,644)	3,040,391
2025	(1,339,592)	185,839
Thereafter	-	311,299
	$ (2,182,329)	$ 16,776,907

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

	ERS March 31, 2021		TRS June 30, 2020	
Asset Type	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %	33 %	7.1 %
International Equity	15	6.30	16	7.7
Private Equity	10	6.75	8	10.4
Real Estate	9	4.95	11	6.8
Domestic Fixed Income Securities	-	-	16	1.8
Global Fixed Income Securities	-	-	2	1.0
High Yield Fixed Income Securities	-	-	1	3.9
Global Equities	-	-	4	7.4
Private Debt	-	-	1	5.2
Real Estate Debt	-	-	7	3.6
Opportunistic/ARS Portfolio	3	4.50	-	-
Credit	4	3.63	-	-
Real Assets	3	5.95	-	-
Fixed Income	23	0.00	-	-
Cash	1	0.50	1	0.7
	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 2.2% for TRS.

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

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

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	$ 6,784,465	$ 24,443	$ (6,209,879)

	1% Decrease (6.1%)	Current Discount Rate (7.1%)	1% Increase (8.1%)
School District's proportionate share of the TRS net pension liability (asset)	$ 47,485,976	$ 7,517,582	$ (26,026,029)

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

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

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

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

Accrued retirement contributions as of June 30, 2021 were $343,733 to ERS and $5,036,559 to TRS, inclusive of $578,212 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, 2021, 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 $155,499,316 was measured as of June 30, 2021, 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	2.09%
Healthcare cost trend rates	7.0% for 2022, decreasing 0.25% per year to an ultimate rate of 4.5% for 2032 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, 2021 is as follows:

Total OPEB Liability - Beginning of Year	$ 119,993,208
Service cost	5,098,164
Interest	3,104,231
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	29,765,453
Benefit payments	(2,461,740)
Total OPEB Liability - End of Year	$ 155,499,316

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.09%) or 1 percentage point higher (3.09%) than the current discount rate:

	1% Decrease (1.09%)	Current Discount Rate (2.09%)	1% Increase (3.09%)
Total OPEB Liability	$ 202,979,324	$ 155,499,316	$ 122,001,390

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	$ 119,934,605	$ 155,499,316	$ 206,570,374

For the year ended June 30, 2021, the School District recognized OPEB expense of $14,661,432 in the district-wide financial statements. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ 40,449,835	$ 661,447
Differences between expected and actual experience	-	-
	$ 40,449,835	$ 661,447

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

Year Ended June 30,	
2022	$ 5,434,575
2023	5,434,575
2024	5,434,575
2025	5,434,575
2026	5,434,575
Thereafter	12,615,513
	$ 39,788,388

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	$ 84,078	$ 7,354,403	$ 7,438,481

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

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m 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 reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

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

	2021				2020			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:								
Inventories	$ -	$ -	$ 50,153	$ 50,153	$ -	$ -	$ 32,376	$ 32,376
Permanent Fund	-	-	135,589	135,589	-	-	135,589	135,589
	-	-	185,742	185,742	-	-	167,965	167,965
Restricted:								
Tax certiorari	4,112,638	-	-	4,112,638	2,577,671	-	-	2,577,671
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	464,600	-	-	464,600
Debt service	-	-	1,093,838	1,093,838	-	-	3,500,721	3,500,721
Debt service - for subsequent year's expenditures	-	-	2,402,900	2,402,900	-	-	-	-
Capital projects	-	10,106,423	-	10,106,423	-	31,638,296	-	31,638,296
Unemployment benefits	500,000	-	-	500,000	500,000	-	-	500,000
Permanent Fund	-	-	11,708	11,708	-	-	12,862	12,862
Special purposes (1)	-	-	143,714	143,714	-	-	147,587	147,587
	7,918,596	10,106,423	3,652,160	21,677,179	6,083,629	31,638,296	3,661,170	41,383,095
Assigned:								
Purchases on order:								
General government support	418,797	-	-	418,797	798,295	-	-	798,295
Instruction	139,950	-	-	139,950	88,716	-	-	88,716
	558,747	-	-	558,747	887,011	-	-	887,011
For subsequent year's expenditures	1,110,900	-	-	1,110,900	1,200,000	-	-	1,200,000
School Lunch Fund	-	-	771,933	771,933	-	-	512,357	512,357
	1,669,647	-	771,933	2,441,580	2,087,011	-	512,357	2,599,368
Unassigned	4,660,369	-	-	4,660,369	5,501,226	-	-	5,501,226
Total Fund Balances	$ 14,248,612	$ 10,106,423	$ 4,609,835	$ 28,964,870	$ 13,671,866	$ 31,638,296	$ 4,341,492	$ 49,651,654

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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, 2021, 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.

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 actions in which, on occasion, parents seek reimbursement for tuition paid by them to private schools where they have unilaterally placed (enrolled) their children. If the parents' were successful in the claim, they could receive reimbursement for both tuition and attorney's fees. The School District vigorously contests any liability for these claims, as it feels: a) it had provided an appropriate placement for the children at issue; and b) the parents' unilateral placement are not consistent with the Individuals with Educational Disabilities Act. As mentioned above, the School District is contesting that any and all cases should be dismissed. However, it is not possible to express an opinion on the outcome of these matters.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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. The other 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.

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 $25 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, 2021 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	2020/21	$ 56,861,200	$ 22.928148	$ 1,303,722	$ 959,060	$ 344,662
12/11/2003	G&S Port Chester Unit 2A, LLC	2020/21	7,144,600	22.928148	163,812	133,790	30,022
12/30/2003	G&S Port Chester Unit 2B, LLC	2020/21	1,359,500	22.928148	31,171	32,971	(1,800)
12/30/2003	G&S Port Chester Unit 2C, LLC	2020/21	3,489,500	22.928148	80,008	40,590	39,418
12/30/2003	G&S Port Chester Unit 2D, LLC	2020/21	3,015,300	22.928148	69,135	12,228	56,907
1/15/2008	G&S Port Chester Unit 4A, LLC	2020/21	2,360,400	22.928148	54,120	34,475	19,645
7/16/2001	Kingsport Apartment LP	2020/21	11,020,500	22.928148	252,680	33,716	218,964
1/1/2005	Southport Mews Preservation LP	2020/21	6,615,900	22.928148	151,690	78,880	72,810
11/10/2010	JMDH Real Estate- Rest. Depot	2020/21	8,982,000	22.928148	205,941	213,939	(7,998)
1/1/2002	Port Chester Housing Authority	2020/21	6,970,100	22.928148	159,811	-	159,811
Total			$ 107,819,000		$ 2,472,090	$ 1,539,649	$ 932,441

Note 6 - Recently Issued GASB Pronouncements

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

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

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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)

	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	$ 5,098,164	$ 1,836,927	$ 1,595,080	$ 1,608,928
Interest	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	29,765,453 (5)	18,352,981 (4)	(1,011,541)	-
Benefit payments	(2,461,740)	(1,346,365)	(1,425,911)	(1,724,522)
Net Change in Total OPEB Liability	35,506,108	21,854,816	2,112,334	3,283,960
Total OPEB Liability – Beginning of Year	119,993,208	98,138,392	96,026,058	92,742,098 (3)
Total OPEB Liability – End of Year	$ 155,499,316	$ 119,993,208	$ 98,138,392	$ 96,026,058
School District's covered-employee payroll	$ 50,893,559	$ 51,373,367	$ 51,373,367	$ 54,058,958
Total OPEB liability as a percentage of covered-employee payroll	305.54%	233.57%	191.03%	177.63%

(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) Resulted from change in discount rate from 3.1% to 2.6%.
(5) Resulted from change in discount rate from 2.6% to 2.09%.

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)

	2021 (6)	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	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)	$ 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	$ 46,169,638	$ 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	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	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 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	(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	$ 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	9.53%	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) The discount rate used to calculate the total pension liability was decreased from 8.0% to 7.5% effective with the June 30, 2016 measurement date.
(4) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.25% effective with the June 30, 2017 measurement date.
(5) The discount rate used to calculate the total pension liability was decreased from 7.25% to 7.1% effective with the June 30, 2019 measurement date.
(6) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

See independent auditors' report.

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 (2)

	2021 (6)	2020 (4)(5)	2019	2018	2017	2016 (3)	2015
School District's proportion of the net pension liability	0.0245477%	0.0245803%	0.0255276%	0.0257972%	0.0258177%	0.0253253%	0.0258298%
School District's proportionate share of the net pension liability	$ 24,443	$ 6,508,999	$ 1,808,711	$ 832,591	$ 2,425,886	$ 4,064,781	$ 872,593
School District's covered payroll	$ 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 as a percentage of its covered payroll	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	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 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	(1,078,412)	(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	$ 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	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) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.
(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.
(5) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.
(6) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	$ 129,650	$ 901,214
Investments	13,904,813	16,004,850
Receivables		
Accounts	166,985	126,555
State and Federal aid	3,688,632	1,721,767
Due from other governments	1,648,004	1,855,047
Due from other funds	11,670,447	1,940,807
	17,174,068	5,644,176
Total Assets	$ 31,208,531	$ 22,550,240
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 1,067,563	$ 2,788,744
Accrued liabilities	91,759	54,971
Deposits	9,030	9,029
Employee payroll deductions	9,375	48
Unearned revenues	291,246	266,679
Due to other funds	10,110,654	420,296
Due to retirement systems	5,380,292	4,864,782
Total Liabilities	16,959,919	8,404,549
Deferred inflows of resources		
Unavailable revenues	-	473,825
Fund balance		
Restricted	7,918,596	6,083,629
Assigned	1,669,647	2,087,011
Unassigned	4,660,369	5,501,226
Total Fund Balance	14,248,612	13,671,866
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 31,208,531	$ 22,550,240

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,

	2021				
	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	$ 62,724,785	$ 62,724,785	$ 62,329,650	$	$ (395,135)
Other tax items	7,869,054	7,869,054	7,198,186		(670,868)
Non-property taxes	2,200,000	2,200,000	2,999,571		799,571
Charges for services	93,000	93,000	39,305		(53,695)
Use of money and property	615,002	615,003	101,184		(513,819)
Sale of property and compensation for loss	17,000	17,000	1,955		(15,045)
State aid	34,103,904	32,721,549	32,482,761		(238,788)
Federal aid	200,000	1,582,355	1,108,317		(474,038)
Miscellaneous	382,498	382,497	736,658		354,161
Total Revenues	108,205,243	108,205,243	106,997,587		(1,207,656)
EXPENDITURES					
Current					
General support					
Board of education	75,800	75,800	66,452	-	9,348
Central administration	456,242	475,529	469,156	-	6,373
Finance	998,575	940,841	878,306	56,216	6,319
Staff	294,750	447,233	427,509	13,786	5,938
Central services	6,870,580	7,541,106	6,927,222	347,315	266,569
Special items	1,823,967	2,203,181	2,189,403	1,480	12,298
Total General Support	10,519,914	11,683,690	10,958,048	418,797	306,845
Instruction					
Instruction, administration and improvement	4,572,729	4,632,240	4,408,329	555	223,356
Teaching - Regular school	33,219,654	32,508,223	30,956,770	54,319	1,497,134
Programs for students with disabilities	20,065,156	19,652,605	18,963,563	70,124	618,918
Occupational education	688,920	451,243	451,243	-	-
Teaching - Special schools	5,000	5,000	-	-	5,000
Instructional media	1,823,961	3,068,514	2,849,299	12,184	207,031
Pupil services	5,052,379	5,007,204	4,720,151	2,768	284,285
Total Instruction	65,427,799	65,325,029	62,349,355	139,950	2,835,724
Pupil transportation	3,747,070	3,384,922	3,384,922	-	-
Community services	57,000	29,375	29,375	-	-
Employee benefits	22,911,068	22,264,835	22,260,660	-	4,175
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	102,662,851	102,687,851	98,982,360	558,747	3,146,744
Excess (Deficiency) of Revenues Over Expenditures	5,542,392	5,517,392	8,015,227	(558,747)	1,939,088
OTHER FINANCING USES					
Transfers out	(7,629,403)	(7,604,403)	(7,438,481)	-	165,922
Net Change in Fund Balance	(2,087,011)	(2,087,011)	576,746	$ (558,747)	$ 2,105,010
FUND BALANCE					
Beginning of Year	2,087,011	2,087,011	13,671,866		
End of Year	$ -	$ -	$ 14,248,612		

See independent auditors' report.

2020				
Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
$ 60,458,098	$ 60,458,098	$ 60,203,990	$	$ (254,108)
8,192,258	8,192,258	8,213,616		21,358
1,750,000	1,750,000	2,467,575		717,575
93,000	93,000	46,084		(46,916)
815,000	815,000	551,807		(263,193)
17,000	17,000	5,930		(11,070)
30,643,980	30,643,980	30,725,608		81,628
200,000	200,000	134,218		(65,782)
382,500	382,500	695,899		313,399
102,551,836	102,551,836	103,044,727		492,891
81,727	168,304	84,879	-	83,425
469,954	471,749	453,226	-	18,523
1,149,081	1,094,651	961,836	42,644	90,171
210,100	343,573	324,376	-	19,197
5,714,502	6,680,988	5,097,266	665,593	918,129
1,690,197	1,306,189	1,202,242	90,058	13,889
9,315,561	10,065,454	8,123,825	798,295	1,143,334
4,509,048	4,695,621	4,491,437	6,908	197,276
32,701,537	31,855,867	31,266,912	41,540	547,415
18,695,121	19,292,101	18,791,451	2,134	498,516
723,690	673,615	600,320	-	73,295
5,000	5,000	3,318	-	1,682
1,152,903	1,791,212	1,645,125	25,928	120,159
4,664,693	4,851,287	4,653,506	12,206	185,575
62,451,992	63,164,703	61,452,069	88,716	1,623,918
3,487,003	3,416,729	3,187,567	-	229,162
57,000	57,000	34,066	-	22,934
23,327,524	21,935,194	21,022,447	-	912,747
1,685,000	1,685,000	1,685,000	-	-
3,035,750	1,359,978	1,359,978	-	-
103,359,830	101,684,058	96,864,952	887,011	3,932,095
(807,994)	867,778	6,179,775	(887,011)	4,424,986
(555,000)	(2,230,772)	(2,217,388)	-	13,384
(1,362,994)	(1,362,994)	3,962,387	$ (887,011)	$ 4,438,370
1,362,994	1,362,994	9,709,479		
$ -	$ -	$ 13,671,866		

Port Chester - Rye Union Free School District, New York

General Fund
Schedule of Revenues Compared to Budget
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	$ 62,724,785	$ 62,724,785	$ 62,329,650	$ (395,135)
OTHER TAX ITEMS				
School tax relief reimbursement	5,658,537	5,658,537	5,658,537	-
Payments in lieu of taxes	2,210,517	2,210,517	1,539,649	(670,868)
	7,869,054	7,869,054	7,198,186	(670,868)
NON-PROPERTY TAXES				
Non-property tax distribution from County	2,200,000	2,200,000	2,999,571	799,571
CHARGES FOR SERVICES				
Transportation for other governments	65,000	65,000	28,395	(36,605)
Health services - Other districts	10,000	10,000	10,910	910
Other	18,000	18,000	-	(18,000)
	93,000	93,000	39,305	(53,695)
USE OF MONEY AND PROPERTY				
Earnings on investments	400,000	400,000	47,286	(352,714)
Rental of real property	215,002	215,003	53,898	(161,105)
	615,002	615,003	101,184	(513,819)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	15,000	15,000	-	(15,000)
Minor sales	500	500	-	(500)
Other	1,500	1,500	1,955	455
	17,000	17,000	1,955	(15,045)

STATE AID				
Basic formula	26,364,326	24,845,807	24,539,575	(306,232)
Lottery aid	5,729,560	5,729,560	5,729,560	-
BOCES aid	1,524,474	1,660,638	1,815,859	155,221
Textbook aid	485,544	318,483	228,706	(89,777)
Computer software aid	-	146,143	146,143	-
Library materials aid	-	20,918	20,918	-
Other	-	-	2,000	2,000
	34,103,904	32,721,549	32,482,761	(238,788)
FEDERAL AID				
Governor's Emergency Education Relief (GEER) Fund	-	200,370	180,080	(20,290)
Elementary and Secondary School Emergency Relief (ESSER) Fund	-	1,181,985	822,484	(359,501)
Medical assistance	200,000	200,000	105,753	(94,247)
	200,000	1,582,355	1,108,317	(474,038)
MISCELLANEOUS				
Refund of prior year's expenditures	75,000	75,000	224,745	149,745
Refunds of BOCES aided services	200,000	200,000	391,780	191,780
Other	107,498	107,497	120,133	12,636
	382,498	382,497	736,658	354,161
TOTAL REVENUES	$ 108,205,243	$ 108,205,243	$ 106,997,587	$ (1,207,656)

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, 2021

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	$ 31,150	$ 27,950	$ 25,563	$ -	$ 2,387
District clerk	15,400	15,400	15,000	-	400
District meeting	29,250	32,450	25,889	-	6,561
Total Board of Education	75,800	75,800	66,452	-	9,348
CENTRAL ADMINISTRATION					
Chief school administrator	456,242	475,529	469,156	-	6,373
FINANCE					
Business administration	746,629	714,295	709,218	1,466	3,611
Accounting and auditing	101,750	101,750	52,928	46,250	2,572
Treasurer	147,696	113,696	113,560	-	136
Other	2,500	11,100	2,600	8,500	-
Total Finance	998,575	940,841	878,306	56,216	6,319
STAFF					
Legal	160,000	323,876	310,090	13,786	-
Personnel	37,150	37,150	34,469	-	2,681
Records management officer	5,000	5,000	3,750	-	1,250
Public information and services	92,600	81,207	79,200	-	2,007
Total Staff	294,750	447,233	427,509	13,786	5,938

CENTRAL SERVICES					
Operation of plant	4,692,876	5,014,862	4,832,866	45,660	136,336
Maintenance of plant	1,868,404	2,287,485	1,864,623	300,720	122,142
Central printing and mailing	309,300	238,759	229,733	935	8,091
Total Central Services	6,870,580	7,541,106	6,927,222	347,315	266,569
SPECIAL ITEMS					
Unallocated insurance	415,620	367,306	367,306	-	-
Judgments and claims	100,058	1,325	1,325	-	-
Assessments on school property	72,000	72,000	64,222	-	7,778
Refund of school property tax	500,000	1,026,261	1,026,261	-	-
Administrative charge - BOCES	589,915	589,915	589,915	-	-
Other	146,374	146,374	140,374	1,480	4,520
Total Special Items	1,823,967	2,203,181	2,189,403	1,480	12,298
Total General Support	10,519,914	11,683,690	10,958,048	418,797	306,845
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	1,515,669	1,533,945	1,343,964	-	189,981
Supervision - Regular school	2,870,331	2,905,395	2,875,480	555	29,360
In-service training - Instruction	186,729	192,900	188,885	-	4,015
Total Instruction, Administration and Improvement	4,572,729	4,632,240	4,408,329	555	223,356
TEACHING - REGULAR SCHOOL	33,219,654	32,508,223	30,956,770	54,319	1,497,134
PROGRAMS FOR STUDENTS WITH DISABILITIES	20,065,156	19,652,605	18,963,563	70,124	618,918
OCCUPATIONAL EDUCATION	688,920	451,243	451,243	-	-

(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, 2021

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
INSTRUCTION (Continued)					
TEACHING - SPECIAL SCHOOLS	$ 5,000	$ 5,000	$ -	$ -	$ 5,000
INSTRUCTIONAL MEDIA					
School library and audiovisual	356,851	354,956	339,456	1,269	14,231
Educational television	47,500	62,726	57,958	-	4,768
Computer assisted instruction	1,419,610	2,650,832	2,451,885	10,915	188,032
Total Instructional Media	1,823,961	3,068,514	2,849,299	12,184	207,031
PUPIL SERVICES					
Guidance - Regular school	1,384,095	1,501,062	1,501,038	-	24
Health services - Regular school	980,322	883,023	845,340	-	37,683
Psychological services - Regular school	1,013,152	1,099,810	1,095,375	1,910	2,525
Social work services	410,580	410,580	410,580	-	-
Co-curricular activities - Regular school	257,000	204,074	142,745	710	60,619
Interscholastic activities - Regular school	1,007,230	908,655	725,073	148	183,434
Total Pupil Services	5,052,379	5,007,204	4,720,151	2,768	284,285
Total Instruction	65,427,799	65,325,029	62,349,355	139,950	2,835,724
PUPIL TRANSPORTATION					
District transportation services	18,838	18,838	18,838	-	-
Contract transportation	3,723,232	3,350,649	3,350,649	-	-
Transportation from BOCES	5,000	15,435	15,435	-	-
Total Pupil Transportation	3,747,070	3,384,922	3,384,922	-	-
COMMUNITY SERVICES					
Census	57,000	29,375	29,375	-	-

EMPLOYEE BENEFITS					
State retirement	1,387,388	1,122,356	1,122,356	-	-
Teachers' retirement	4,674,202	4,456,390	4,456,390	-	-
Social security	4,401,900	4,052,948	4,052,948	-	-
Workers' compensation benefits	385,000	356,616	356,616	-	-
Life Insurance	11,636	11,636	11,636	-	-
Unemployment benefits	60,000	97,947	97,947	-	-
Hospital and medical insurance	11,022,542	10,971,929	10,970,894	-	1,035
Employee assistance program	229,000	488,613	486,205	-	2,408
Union welfare benefits	739,400	706,400	705,668	-	732
Total Employee Benefits	22,911,068	22,264,835	22,260,660	-	4,175
TOTAL EXPENDITURES	102,662,851	102,687,851	98,982,360	558,747	3,146,744
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	250,000	250,000	84,078	-	165,922
Debt Service Fund	7,354,403	7,354,403	7,354,403	-	-
School Lunch Fund	25,000	-	-	-	-
TOTAL OTHER FINANCING USES	7,629,403	7,604,403	7,438,481	-	165,922
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 110,292,254	$ 110,292,254	$ 106,420,841	$ 558,747	$ 3,312,666

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	$ 13,777	$ 26,063
Receivables		
Accounts	-	3,889
State and federal aid	2,261,534	1,957,712
Due from other funds	3,622,938	-
	5,884,472	1,961,601
Total Assets	$ 5,898,249	$ 1,987,664
LIABILITIES		
Accounts payable	$ 68,210	$ 70,396
Accrued liabilities	3,325	34,400
Unearned revenues	26,368	41,384
Due to other funds	5,800,346	1,841,484
Total Liabilities	$ 5,898,249	$ 1,987,664

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,

	2021	2020
REVENUES		
State aid	$ 2,113,497	$ 480,037
Federal aid	2,718,789	5,144,318
Miscellaneous	5,755	21,466
Total Revenues	4,838,041	5,645,821
EXPENDITURES		
Current		
Instruction	4,879,286	5,724,782
Pupil transportation	42,833	171,039
Total Expenditures	4,922,119	5,895,821
Deficiency of Revenues Over Expenditures	(84,078)	(250,000)
OTHER FINANCING SOURCES		
Transfers in	84,078	250,000
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,

	2021	2020
ASSETS		
Cash and equivalents	$ 3,394	$ 1,505,063
Investments	13,151,751	35,656,211
Receivables		
State and Federal aid	304,483	304,483
Due from other funds	264,095	320,973
	568,578	625,456
Total Assets	$ 13,723,723	$ 37,786,730
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 120,562	$ 2,647,713
Due to other funds	3,496,738	3,500,721
Total Liabilities	3,617,300	6,148,434
Fund balance		
Restricted	10,106,423	31,638,296
Total Liabilities and Fund Balance	$ 13,723,723	$ 37,786,730

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,

	2021	2020
REVENUES	$ -	$ -
EXPENDITURES		
Capital outlay	21,531,873	43,486,638
Deficiency of Revenues Over Expenditures	(21,531,873)	(43,486,638)
OTHER FINANCING SOURCES		
General obligation bonds issued	-	83,465,000
Issuance premium	-	4,983,228
Transfers in	-	1,955,772
Total Other Financing Sources	-	90,404,000
Net Change in Fund Balance	(21,531,873)	46,917,362
FUND BALANCE (DEFICIT)		
Beginning of Year	31,638,296	(15,279,066)
End of Year	$ 10,106,423	$ 31,638,296

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, 2021

Project	Appropriation	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
2017 Bond Referendum				
High School Additions and Reconstruction	$ 49,307,312	$ 25,025,150	$ 17,259,775	$ 42,284,925
Edison Green Space and Reconstruction	440,468	416,764	-	416,764
JFK Additions and Reconstruction	16,354,143	11,831,588	2,484,880	14,316,468
King Street Additions and Reconstruction	10,744,713	9,752,397	731,987	10,484,384
Park Avenue Additions and Reconstruction	3,103,364	2,687,363	229,447	2,916,810
Total 2017 Bond Referendum	79,950,000	49,713,262	20,706,089	70,419,351
MS Façade and Window Replacement	11,025,000	9,772,024	825,784	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
Totals	$ 91,678,001	$ 60,039,705	$ 21,531,873	$ 81,571,578

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, 2021
$ 7,022,387	$ 49,307,312	$ -	$ 49,307,312	$ 7,022,387
23,704	440,468	-	440,468	23,704
2,037,675	16,354,143	-	16,354,143	2,037,675
260,329	10,744,713	-	10,744,713	260,329
186,554	3,103,364	-	3,103,364	186,554
9,530,649	79,950,000	-	79,950,000	9,530,649
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
$ 10,106,423	$ 90,975,000	$ 703,001	$ 91,678,001	$ 10,106,423

Port Chester - Rye Union Free School District, New York

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

	School Lunch	Special Purpose	Permanent
ASSETS			
Cash and equivalents	$ 11,971	$ 138,714	$ 147,297
Receivables			
State and Federal aid	547,829	-	-
Due from other funds	740,800	5,000	-
	1,288,629	5,000	-
Inventories	50,153	-	-
Total Assets	$ 1,350,753	$ 143,714	$ 147,297
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 118,174	$ -	$ -
Accrued liabilities	2,144	-	-
Unearned revenues	16,069	-	-
Due to other funds	392,280	-	-
Total Liabilities	528,667	-	-
Fund balances			
Nonspendable	50,153	-	135,589
Restricted	-	143,714	11,708
Assigned	771,933	-	-
Total Fund Balances	822,086	143,714	147,297
Total Liabilities and Fund Balances	$ 1,350,753	$ 143,714	$ 147,297

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds 2021	2020
$ -	$ 297,982	$ 824,778
-	547,829	64,813
3,496,738	4,242,538	3,500,721
3,496,738	4,790,367	3,565,534
-	50,153	32,376
$ 3,496,738	$ 5,138,502	$ 4,422,688
$ -	$ 118,174	$ 64,468
-	2,144	624
-	16,069	16,104
-	392,280	-
-	528,667	81,196
-	185,742	167,965
3,496,738	3,652,160	3,661,170
-	771,933	512,357
3,496,738	4,609,835	4,341,492
$ 3,496,738	$ 5,138,502	$ 4,422,688

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, 2021
(With Comparative Totals for 2020)

	School Lunch	Special Purpose	Permanent
REVENUES			
Use of money and property	$ 210	$ 216	$ -
State aid	42,937	-	-
Federal aid	1,277,260	-	-
Food sales	7,590	-	-
Miscellaneous	16	90,121	-
Total Revenues	1,328,013	90,337	-
EXPENDITURES			
Current			
Cost of food sales	1,050,660	-	-
Other	-	94,210	1,154
Debt service			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	1,050,660	94,210	1,154
Excess (Deficiency) of Revenues Over Expenditures	277,353	(3,873)	(1,154)
OTHER FINANCING SOURCES			
Issuance premium	-	-	-
Transfers in	-	-	-
Total Other Financing Sources	-	-	-
Net Change in Fund Balances	277,353	(3,873)	(1,154)
FUND BALANCES			
Beginning of Year, as reported	544,733	147,587	148,451
Cumulative Effect of Change in Accounting Principle	-	-	-
Prior Period Adjustment	-	-	-
Beginning of Year, as restated	544,733	147,587	148,451
End of Year	$ 822,086	$ 143,714	$ 147,297

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds 2021	2020
$ 53,032	$ 53,458	$ 664,251
-	42,937	53,014
-	1,277,260	1,689,149
-	7,590	231,300
-	90,137	155,166
53,032	1,471,382	2,792,880
-	1,050,660	1,865,886
-	95,364	184,200
4,615,000	4,615,000	-
2,796,418	2,796,418	-
7,411,418	8,557,442	2,050,086
(7,358,386)	(7,086,060)	742,794
-	-	2,845,394
7,354,403	7,354,403	11,616
7,354,403	7,354,403	2,857,010
(3,983)	268,343	3,599,804
3,500,721	4,341,492	417,694
-	-	92,140
-	-	231,854
3,500,721	4,341,492	741,688
$ 3,496,738	$ 4,609,835	$ 4,341,492

Port Chester - Rye Union Free School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	$ 11,971	$ 528,240
Receivables		
State and Federal aid	547,829	64,813
Due from other funds	740,800	-
	1,288,629	64,813
Inventories	50,153	32,376
Total Assets	$ 1,350,753	$ 625,429
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 118,174	$ 63,968
Accrued liabilities	2,144	624
Unearned revenues	16,069	16,104
Due to other funds	392,280	-
Total Liabilities	528,667	80,696
Fund balance		
Nonspendable	50,153	32,376
Assigned	771,933	512,357
Total Fund Balance	822,086	544,733
Total Liabilities and Fund Balance	$ 1,350,753	$ 625,429

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,

	2021	2020
REVENUES		
Use of money and property	$ 210	$ 875
State aid	42,937	53,014
Federal aid	1,277,260	1,689,149
Food sales	7,590	231,300
Miscellaneous	16	6,971
Total Revenues	1,328,013	1,981,309
EXPENDITURES		
Current		
Cost of food sales	1,050,660	1,865,886
Excess of Revenues Over Expenditures	277,353	115,423
OTHER FINANCING SOURCES		
Transfers in	-	11,616
Net Change in Fund Balance	277,353	127,039
FUND BALANCE		
Beginning of Year	544,733	417,694
End of Year	$ 822,086	$ 544,733

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	$ 138,714	$ 148,087
Due from other funds	5,000	-
	$ 143,714	$ 148,087
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ -	$ 500
Fund balance		
Restricted	143,714	147,587
Total Liabilities and Fund Balances	$ 143,714	$ 148,087

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,

	2021	2020
REVENUES		
Use of money and property	$ 216	$ 1,367
Miscellaneous	90,121	148,195
Total Revenues	90,337	149,562
EXPENDITURES		
Current		
Other	94,210	184,200
Deficiency of Revenues Over Expenditures	(3,873)	(34,638)
FUND BALANCE		
Beginning of Year, as reported	147,587	-
Cumulative Effect of Change in Accounting Principle	-	92,140
Prior Period Adjustment	-	90,085
Beginning of Year, as restated	147,587	182,225
End of Year	$ 143,714	$ 147,587

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

Permanent Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	$ 147,297	$ 148,451
FUND BALANCE		
Nonspendable	$ 135,589	$ 135,589
Restricted	11,708	12,862
Total Fund Balance	$ 147,297	$ 148,451

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,

	2021	2020
REVENUES		
Use of money and property	$ -	$ 6,682
EXPENDITURES		
Current		
Other	1,154	-
Excess (Deficiency) of Revenues Over Expenditures	(1,154)	6,682
FUND BALANCE		
Beginning of Year, as reported	148,451	-
Prior Period Adjustment	-	141,769
Beginning of Year, as restated	148,451	141,769
End of Year	$ 147,297	$ 148,451

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Due from other funds	$ 3,496,738	$ 3,500,721
FUND BALANCE		
Restricted	$ 3,496,738	$ 3,500,721

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,

	2021	2020
REVENUES		
Use of money and property	$ 53,032	$ 655,327
EXPENDITURES		
Debt service		
General obligation serial bonds		
Principal	4,615,000	-
Interest	2,796,418	-
	7,411,418	-
Excess (Deficiency) of Revenues Over Expenditures	(7,358,386)	655,327
OTHER FINANCING SOURCES		
Issuance premium	-	2,845,394
Transfers in	7,354,403	-
Total Other Financing Sources	7,354,403	2,845,394
Net Change in Fund Balance	(3,983)	3,500,721
FUND BALANCE		
Beginning of Year	3,500,721	-
End of Year	$ 3,496,738	$ 3,500,721

See independent auditors' report.

General Fund
Analysis of Change from Adopted Budget to Final Budget
Year Ended June 30, 2021

Adopted Budget	$ 109,405,243
Additions -	
Encumbrances	887,011
Original/Final Budget	$ 110,292,254

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

2021-22 Expenditure Budget		$ 116,509,250
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	$ 1,669,647	
Unassigned fund balance	4,660,369	
Total Unrestricted Fund Balance	6,330,016	
Less		
Encumbrances	558,747	
Appropriated for subsequent year's budget	1,110,900	
Total Adjustments	1,669,647	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 4,660,369
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, 2021

Capital Assets, net		$ 107,542,482
Less		
General obligation bonds payable	$ (84,775,000)	
Unamortized portion of issuance premium on bonds	(7,336,090)	(92,111,090)
Plus		
Unexpended bond proceeds	9,957,841	
Unamortized portion of loss on refunding bonds	64,673	10,022,514
Net Investment in Capital Assets		$ 25,453,906

See independent auditors' report.

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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, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 7, 2021.

Internal Control Over Financial Reporting

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

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

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

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Compliance and Other Matters

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
October 7, 2021

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

We have audited the Port Chester - Rye Union Free School, New York's compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 7, 2021

Port Chester - Rye Union Free School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

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				
National School Lunch Program - Commodities	10.555	N/A	$ -	$ 94,955
Summer Food Service Program for Children	10.559	N/A	-	1,182,305
Total U.S. Department of Agriculture			-	1,277,260
U.S. Department of Education				
Indirect Programs - Passed through New York State Department of Education				
Title I Grants to Local Educational Agencies	84.010	021-21-3795	-	1,143,228
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	032-21-1093	-	1,055,125
Special Education - Preschool Grants	84.173	033-21-1093	-	54,289
Subtotal Special Education Cluster			-	1,109,414
Education for Homeless Children and Youth	84.196	212-21-4051	-	40,314
English Language Acquisition State Grants	84.365	293-21-3795	-	231,362
Supporting Effective Instruction State Grants	84.367	147-21-3795	-	169,033
Student Support and Academic Enrichment Program	84.424	204-21-3795	-	25,438
Governor's Emergency Education Relief (GEER) Fund (CARES)	84.425C	5895-21-3795	-	180,080
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425D	5890-21-3795	-	822,484
			-	1,002,564
Total U.S. Department of Education			-	3,721,353
Total Expenditures of Federal Awards			$ -	$ 4,998,613

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

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, 2021. 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, 2021

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
	Special Education Cluster (IDEA):
84.027	Special Education – Grant to States
84.173	Special Education – Preschool Grants
84.425C	Governor's Emergency Education Relief Fund (GEER)
84.425D	Elementary and Secondary School Emergency Relief Fund (ESSER)

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

Port Chester - Rye Union Free School District, New York

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

None