PRELIMINARY OFFICIAL STATEMENT DATED JUNE 23, 2022

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the School District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See "TAX MATTERS" herein.)

The School District will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 of the Code.

$20,920,000

PEARL RIVER UNION FREE SCHOOL DISTRICT

ROCKLAND COUNTY, NEW YORK

GENERAL OBLIGATIONS

$20,920,000 Bond Anticipation Notes for School Construction - 2022

(the "Notes")

Dated: July 21, 2022 **Due: July 21, 2023**

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

The Notes will not be subject to redemption prior to maturity.

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

If the Notes are issued registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Notes.

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Notes will be made on or about July 21, 2022.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 30, 2022 by no later than 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the School District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June __, 2022

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "UNDERTAKING TO PROVIDE NOTICE OF EVENTS" HEREIN.

PEARL RIVER UNION FREE SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

JACKIE DUBIL CRAIG
President

ROBERT DAVIS
Vice President

DENISE CAUNITZ
THOMAS DEPRISCO
KATHLEEN KELLEY

* * * * * * * * *

DR. MARCO F. POCHINTESTA, ED. D.
Superintendent of Schools

ANN MARIE TROMER
Assistant Superintendent for Business

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors

Hawkins
DELAFIELD & WOOD LLP
Bond Counsel

No person has been authorized by the District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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OFFICIAL STATEMENT

of the

PEARL RIVER UNION FREE SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK

Relating To

$20,920,000 Bond Anticipation Notes for School Construction - 2022

This Official Statement, which includes the cover page, has been prepared by the Pearl River Union Free School District, Rockland County, New York (the “School District” or “District”, “County”, and “State”, respectively) in connection with the sale by the District of $20,920,000 principal amount of Bond Anticipation Notes for School Construction - 2022 (the “Notes”).

The factors affecting the District’s financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has continued to create, since its inception in the spring of 2020, prevailing economic conditions (at the global, national, State and local levels) that remain uncertain, have been generally negative, and are subject to the potential for rapid change as new variants emerge and as governments and other organizations respond. These conditions are expected to continue for an indefinite period of time. Significant federal and state relief measures that have been enacted since the onset of the pandemic have served to support the operations and finances of the District, but such measures were temporary in nature and are not likely to be extended or renewed, at least to such a large extent. Accordingly, the District’s overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide and continuing event, the effects of which are extremely difficult to predict and quantify going forward. See “MARKET AND RISK FACTORS - COVID-19” herein.

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See “NATURE OF OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Notes will be dated July 21, 2022 and will mature July 21, 2023. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the purchaser(s) either (i) registered in the name of the purchaser(s), or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Authority for and Purpose of Issue – The Notes

The Notes are issued pursuant to the Constitution and laws of the State, including the Education Law, constituting Chapter 16, and the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York and two bond resolutions adopted by the Board of Education of the District, authorizing the issuance of $36,000,000 serial bonds to finance the construction or improvements and alterations to all school buildings and/or sites.

Purpose	Bond Resolution Date	Original Issue Date	Amount Outstanding	Principal Payment	New Money	Amount of Notes
Capital Project	6/6/2017	7/24/2019	$ 1,670,000	$ 35,000	$ -	$ 1,635,000
Capital Project	6/6/2017	7/23/2020	12,000,000	215,000	-	11,785,000
Capital Project	6/6/2017	7/22/2021	500,000	-	-	500,000
Capital Project	7/7/2020	7/22/2021	7,000,000	-	-	7,000,000
		Totals:	$ 21,170,000	$ 250,000	$ -	$ 20,920,000

The proceeds of the Notes, along with $250,000 in District funds will be used to redeem $21,170,000 Bond Anticipation Notes for School Construction – 2022 maturing July 22, 2022.

NATURE OF OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. However, the Tax Levy Limit Law imposes a statutory limitation on the District's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See also "*TAX LEVY LIMIT LAW*" herein)

REMEDIES UPON DEFAULT

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

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

In 1976, the New York Court of Appeals, the State's highest court, held in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 41 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

NO PAST DUE DEBT

No principal or interest payment on District indebtedness is past due. The District has never defaulted in the payment of the principal of and/or interest on any indebtedness.

BANKRUPTCY

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

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

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

DESCRIPTION OF BOOK-ENTRY-ONLY-SYSTEM

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

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

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company.

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

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

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

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

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

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

Source: District officials.

District Population

The 2020 estimated population of the District is 15,173. (Source: U.S. Census Bureau, 2016-2020 American Community Survey data).

Population Trend

				% Change	
	2000	*2010*	*2020*	*2000-2010*	*2010-2020*
Town of Orangetown	47,711	49,212	48,655	3.1%	(1.1)%
County of Rockland	286,753	311,687	338,329	8.7	8.5
State of New York	18,976,457	19,378,102	20,201,249	2.1	4.2

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

Larger Commercial and Industrial Employers in the County

Name	Industry/Business	Number of Employees
Hamaspik of Rockland County	Health Services	1,993
Nyack Hospital	Hospital	1,850
Bon Secours Good Samaritan Hospital	Hospital	1,751
Rockland Psychiatric Center	Healthcare	1,219
Jawonio, Inc.	Healthcare	1,100
Helen Hayes Hospital	Hospital	891
Verizon Wireless	Communications	850
Northern Services Group	Nursing Home	832
St. Dominic's Home	Nursing Home	820
Orange & Rockland Utilities	Public Utility	817
AT&T Healthcare	Healthcare	800
Pfizer, Inc.	Pharmaceuticals	800
Nice-Pak/PDI	Paper Manufacturing	768
ARC of Rockland	Healthcare	715
Camp Venture, Inc.	Health Services	680
Aide Services, Inc.	Health Services	600
Par Pharmaceutical, Inc.	Pharmaceuticals	591
Community Home Health & Aide Svc, Inc.	Health Services	560
Lamont-Doherty Earth Observatory	Earth Sciences Research	560
Chestnut Ridge Transportation, Inc.	Transportation	531
Hudson Valley Dev. Disability Services	Health Services	523
Intercos America, Inc.	Cosmetic Manufacturing	425
Raymour & Flanigan	Commercial	415
Aluf Plastics, A Division of API	Commercial	401
Rockland Bakery Inc.	Commercial	400

Source: Rockland County Annual Disclosure Filing dated December 31, 2021.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are the Town and County listed below. The figures set below with respect to such Town and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Town or the County is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2016-2020	2000	2006-2010	2016-2020
Town of:						
Orangetown	$ 33,170	$ 40,401	$ 58,016	$ 96,403	$ 117,199	$ 155,491
County of:						
Rockland	28,082	34,304	39,923	78,806	96,836	112,034
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Note: 2017-2021 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2016-2020 American Community Survey data.

Median Family Incomes – 2020

	Median Household Income	*Under $25,000*	*$25,000 to $49,999*	*$50,000 to $74,999*	*$75,000 to $99,000*	*$100,000+*
Pearl River CDP [1]	$152,500	2.7%	7.4%	10.2%	10.5%	69.2%
County of Rockland	112,034	9.3	12.7	11.8	10.9	55.3
State of New York	87,270	12.1	16.0	15.0	12.9	44.0

[1] Figures for the Pearl River census-designated place (CDP) were used.

Source: U.S. Department of Commerce, Bureau of the Census, 2016-2020 American Community Survey data.

Employment and Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is the Town of Orangetown. The information set forth below with respect to the Town, County and State of New York are included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Town, County or State is necessarily representative of the District, or vice versa.

Annual Average Unemployment

	2015	2016	2017	2018	2019	2020	2021
Town of Orangetown	4.5%	4.2%	4.4%	3.8%	3.4%	7.3%	4.2%
County of Rockland	4.6%	4.3%	4.3%	3.7%	3.4%	7.7%	4.4%
State of New York	5.2%	4.9%	4.6%	4.1%	3.8%	9.9%	6.9%

2021-22 Monthly Unemployment Figures

	2021							2022				
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Town of Orangetown	4.7%	4.6%	4.3%	3.7%	3.4%	3.0%	2.6%	3.5%	3.4%	3.2%	2.7%	N/A
County of Rockland	4.8%	4.7%	4.4%	3.7%	3.4%	3.0%	2.6%	3.3%	3.4%	3.1%	2.6%	N/A
State of New York	7.5%	7.1%	6.7%	5.7%	5.3%	4.9%	4.5%	5.3%	5.1%	4.7%	4.2%	N/A

Note: Unemployment rates for the month of May 2022 are not available as of the date of this Official Statement.

Average Annual Employed Civilian Labor Force

	2000	*2010*	*2021*	*2000-2010*	*2010-2019*
Town of Orangetown	25,000	22,600	23,100	(9.6)%	2.2%
County of Rockland	139,700	138,700	147,100	(0.7)	6.1
State of New York	8,727,500	8,790,600	8,786,300	0.7	4.9

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Housing Data

Housing Stock (2000 - 2020)

	2000 (Units)	*2010 (Units)*	*2020 (Units)*	*2000-2010*	*2010-2020*
Town of Orangetown	17,827	18,611	18,947	4.4%	1.8%
County of Rockland	94,973	104,057	106,621	9.6	2.4
State of New York	7,679,307	8,108,103	8,362,971	5.6	3.1

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

Median Housing Values and Rents (2020)

	Percent Constructed 2014 to 2020	*Median Value (Owner Occupied)*	*Median Rent (Renter Occupied)*	*Percent Owner Occupied*	*Percent Renter Occupied*	*Percent Vacant*
Town of Orangetown	1.7%	$ 492,100	$ 1,760	72.3%	27.7%	5.9%
County of Rockland	1.9	443,400	1,558	67.9	32.1	5.1
State of New York	1.6	325,000	1,315	54.1	45.9	11.3

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

Form of School Government

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws. The District is an independent entity governed by an elected Board of Education comprised of five members. District operations are subject to the provisions of the State Education Law affecting school districts; other statutes applicable to the District include the General Municipal Law, the Local Finance Law, or the Real Property Tax Law.

The legislative power of the District is vested in the Board of Education (the "Board"). Usually on the third Tuesday in May of each year an election is held within the District boundaries to elect members to the Board. They are elected for a term of three years. The 2022 Annual District Meeting and Election was held on May 17, 2022.

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

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

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the School District for the ensuing fiscal year (proposed budget) and distributes that statement not less than seven days prior to the date on which the annual school election is conducted, at which the proposed budget is voted upon, historically the vote is held on the 3rd Tuesday of May. Notice of the annual election is published as required by statute with a first publication not less than forty-five days prior to the day of election.

If the qualified voters at the annual election approve the proposed budget, the Board of Education, by resolution, adopts the proposed budget of the School District for the ensuing year. In the event the proposed budget is disapproved by a majority of the voters, the Board of Education may call and hold subsequent elections on a budget. If no budget is approved, the Board of Education may levy a tax for ordinary contingent expenses of the School District, which includes debt service, in a like manner as if the same had been voted by the qualified voters.

The budget for the 2021-22 fiscal year was adopted by qualified voters on May 18, 2021 by a vote of 1,220 yes to 359 no. The District's adopted budget for 2021-22 included a total tax levy increase of 1.94%, which was below the District tax levy limit of 3.83%.

The budget for the 2022-23 fiscal year was adopted by qualified voters on May 17, 2022 by a vote of 1,484 yes to 466 no. The District's adopted budget for 2022-23 included a total tax levy increase of 2.84%, which was below the District tax levy limit of 4.25%.

Investment Policy

The School District 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 accounts, savings accounts, money market accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions.

Collateral is required for demand, savings and certificates of deposit at 100% of all deposits not covered by federal deposit insurance. The District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that maybe 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.

The School District's policy does not permit the School District to invest in so-called derivatives or reverse repurchase agreements and the School District has never invested in derivatives or reverse repurchase agreements.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the school districts can be paid only if the State has such monies available for such payment.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Currently, due to the outbreak of COVID-19 the State has declared a state of emergency and the State has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State's 2021-22 Enacted Budget provided $29.5 billion in State funding to school districts for the 2021-22 school year the highest level of State aid ever. This represented an increase of $3.0 billion or 11.3 percent compared to the 2020-21 school year, and includes a $1.4 billion or 7.6 percent Foundation Aid increase. Approximately 75 percent of this increase was targeted to high-need school districts.

The State's 2021-22 Enacted Budget also programed $13 billion of federal Elementary and Secondary School Emergency Relief Fund and the Governor's Emergency Education Relief Fund to public schools. This funding available for use over multiple years, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2021-22 Enacted Budget allocated $629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the State's 2021-22 Enacted Budget used $105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-22 school year.

The State's 2022-23 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2021-22 Enacted Budget was adopted on April 7, 2021. No assurance can be given that the State will not experience delays in in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

State Aid History

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School district fiscal year (2016-2017): The 2016-2017 State budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The District was not part of the Community Schools Grant Initiative (CSGI).

School district fiscal year (2017-2018): The State 2017-2018 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

School district fiscal year (2018-2019): The State's 2018-2019 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-2018. Approximately $859 million of that increase was comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid stood at $26.03 billion statewide, a 3.4% increase over the prior year. The State's 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State's 2018-2019 Enacted Budget guaranteed that all school districts receive an increase in Foundation Aid over their 2017-2018 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State's 2018-2019 Enacted Budget fully funded all expense-based aid for 2018-2019, including building, transportation, BOCES and special education aid. These categories served as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-2019.

School district fiscal year (2019-2020): The State's 2019-2020 Enacted Budget includes a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The 2019-2020 Enacted Budget increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School district fiscal year (2020-2021): Due to significant State revenue loss as a result of the impact of the COVID-19 pandemic, State aid in the State's 2020-21 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget, which was approximately $27.9 billion. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding though the Coronavirus Aid, Relief, and Economic Security Act (CARES). With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Enacted Budget. The State's 2020-21 Enacted Budget also authorized the State's Budget Director to make periodic adjustments to State aid in the event that actual State revenues came in below 99% of estimates or if actual disbursements exceeded 101% of estimates. Pursuant to that provision, in October 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. In December 2020, a second federal stimulus bill was enacted and provided additional funding for schools in the State. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received, with the State releasing the withheld funds on or about June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity v. New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The *Campaign for Fiscal Equity* decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase of foundation aid is now scheduled to occur as listed in the following paragraph.

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 in *New Yorkers for Students' Educational Rights v. State of New York ("NYSER")* and a consolidated case on the right to a sound basic education. The *NYSER* lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the *Campaign for Fiscal Equity* case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein.

On October 14, 2021 Governor Kathy Hochul announced that the State has reached an agreement to settle and discontinue the *New Yorkers for Students' Educational Rights v. New York State* case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this funding. The litigation, which commenced in 2014, sought to require the State to fully fund the Foundation Aid formula that was put into place following the historic *Campaign for Fiscal Equity* cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of State funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2021-22 and 2022-23 fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2016-2017	$ 64,593,232	$ 10,041,847	15.55%
2017-2018	66,178,914	10,330,943	15.61
2018-2019	68,213,473	10,669,199	15.64
2019-2020	69,661,665	10,950,273	15.72
2020-2021	71,873,934	11,248,166	15.65
2021-2022 (Budgeted)	73,476,753 (1)	12,576,122	17.12
2022-2023 (Budgeted)	77,259,312 (2)	14,638,268	18.95

(1) Does not include $500,000 of appropriated fund balance.
(2) Does not include $250,000 of appropriated fund balance.

Source: 2016-17 through and including the 2020-21 audited financial statements of the District and 2021-22 and 2022-23 adopted budgets (unaudited) of the District. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built
Evans Park Elementary School	K-4	486	1954, 1958, 1971, 2005
Lincoln Avenue Elementary School	K-4	432	1953, 1971
Franklin Avenue Elementary School	K-4	405	1966, 2000, 2006
Pearl River Middle School	5-7	1,026	1966, 2000, 2021
Pearl River High School	8-12	1,488	1962, 1972, 2001, 2006, 2020
Nauraushaun School	Leased	N/A	1933, 1958, 1992
William Street School	Leased	N/A	1950

Source: District Officials

Enrollment Trends

School Year	Enrollment	School Year	Projected Enrollment
2017-18	2,387	2022-23	2,232
2018-19	2,361	2023-24	2,232
2019-20	2,333	2024-25	2,217
2020-21	2,291	2025-26	2,211
2021-22	2,236	2026-27	2,191

Source: School District officials.

Employees

The District currently employs a total of 356 full-time and 32 part-time employees. Employees that are represented by various bargaining units are outlined below:

Employees	Union	Contract Expiration Date
231	Pearl River Teachers' Association	June 30, 2025
2	Pearl River Schools Educational Support, Operations, Administrators & Supervisors	June 30, 2025
66	Pearl River Schools Related Professional Assoc.	June 30, 2022 [1]
37	Pearl River Teaching Assistants Association	June 30, 2025
34	CSEA	June 30, 2025
11	Pearl River Administrators	June 30, 2024
7	Pearl River Nurses Association	June 30, 2026

[1] Currently under negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members (other than those in Tier V and VI, as described below) working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The law became effective for new ERS and TRS hires on January 1, 2010. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, a new Tier VI pension program was signed into law, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, and budgeted figures for the 2022-23 fiscal years are as follows:

Fiscal Year	ERS	TRS
2017-2018	$ 812,014	$ 2,714,278
2018-2019	778,184	3,130,705
2019-2020	757,033	2,566,300
2020-2021	774,854	2,855,830
2021-2022	821,966	2,880,000
2022-2023 (Budgeted)	890,000	3,325,000

Source: District officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District currently does not have early retirement incentive programs.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments and school districts.

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2016-17 to 2022-23) is shown below:

Fiscal Year	ERS	TRS
2017-18	15.3%	9.80%
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29*

* Estimated. The TRS Retirement Board is expected to adopt the 2022-23 employer contribution rate at its August 3, 2022 meeting.

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually. Although permitted by recently enacted laws, the District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

The District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. For 2016-17 the stable contribution option rate is 15.1% for ERS and 14.13% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The State's 2019-2020 Enacted Budget, which was signed into law on March 31, 2019, allows school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a reserve fund for the purpose of funding the cost of TRS contributions and plans to fund the reserve over several years to the maximum allowable amount.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District's employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused extreme volatility across all financial markets, including those markets in which the Retirement System funds are invested. While State Comptroller DiNapoli has made recent comments that the Common Retirement Fund is well-positioned to withstand current market disruption, the impacts of such volatility on future contribution rates, if any, cannot be known at this time. See "COVID-19" herein for further detail.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

The District contracted with an actuarial firm to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2020 and 2021 fiscal years, by source.

Balance beginning at July :	2019	2020
Changes for the year:	$ 106,155,973	$ 118,176,454
Service cost	4,096,706	5,071,863
Interest	3,811,572	2,691,290
Effect of plan changes	(68,736)	-
Differences between expected and actual experience	-	-
Effect of liability gains or losses	(690,313)	-
Changes in assumptions or other inputs	7,595,959	1,016,043
Changes of benefit terms	-	-
Benefit payments	(2,724,707)	(2,957,135)
Net Changes	$ 12,020,481	$ 5,822,061
Balance ending at June 30:	**2020**	**2021**
	$ 118,176,454	**$ 123,998,515**

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability see "APPENDIX – E" attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved $0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2021 and may be found attached hereto as "*APPENDIX-E*" to this Official Statement. Certain financial information of the School District can also be found attached as Appendices to this Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in the State by the State Comptroller. Except for the accounting for fixed assets, this system conforms to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year that ended June 30, 2003 the District is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The District is in compliance with such reporting.

New York State Comptroller Reports of Examination

State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the School District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released an audit report of the District on March 25, 2016. The purpose of the audit was to review internal controls over the District's procurement process for the period July 1, 2014 through November 13, 2015. Key findings and recommendations contained within the audit report are outlined below:

Key Findings:

- Written procedures were not in place to monitor and enforce compliance with the District's procurement policy.
- District officials did not follow or enforce compliance with the District's procurement policy when purchases were not subject to competitive bidding requirements.

Key Recommendations:

- District officials should establish and implement written purchasing procedures.
- The Board should ensure that District officials use competitive methods when procuring goods and services in accordance with State General Municipal Law and the District's purchasing policy.

The District provided a complete response to the State Comptroller's office on March 15, 2016. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There is currently a routine State Comptrollers audit of the District in progress. No report of findings has been published as of the date of this Official Statement.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the 2016-17 through 2020-21 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2021	No Designation	0.0
2020	No Designation	0.0
2019	No Designation	16.7
2018	No Designation	20.0
2017	No Designation	0.0

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the Education Law and the Local Finance Law.

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under "*STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness*", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Orangetown	$ 1,182,099,291	$ 1,182,035,464	$ 1,186,925,814	$ 1,187,454,360	$ 1,192,100,076
Total Assessed Values	$ 1,182,099,291	$ 1,182,035,464	$ 1,186,925,814	$ 1,187,454,360	$ 1,192,100,076
State Equalization Rates					
Towns of:					
Orangetown	47.25%	45.50%	43.59%	42.05%	42.64%
Total Taxable Full Valuation	$ 2,501,797,441	$ 2,597,880,141	$ 2,722,931,438	$ 2,823,910,488	$ 2,795,731,886

Source: District officials.

Tax Rate per $1,000 (Assessed) and Tax Levy

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Homestead	$ 39.69	$ 41.30	$ 41.01	$ 42.52	$ 42.86
Non-Homestead	66.45	66.06	69.15	69.77	71.70

Source: District officials.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Total Tax Levy	$ 53,917,311	$ 55,374,009	$ 56,215,715	$ 57,803,420	$ 58,926,118
Amount Uncollected (1)	797,524	571,007	598,889	606,065	622,698
% Uncollected	1.48%	1.03%	1.07%	1.05%	1.06%

(1) Represents uncollected taxes that are returned to the County for collection. The District receives 100% of its tax levy each year. See "Tax Collection Procedure" herein.

Source: District officials.

Tax Collection Procedure

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

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years, and budgeted figures for the 2021-22 and 2022-2023 fiscal years comprised of real property taxes and tax items.

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2016-2017	$ 64,593,232	$ 53,354,896	82.60%
2017-2018	66,164,778	54,517,184	82.40
2018-2019	68,213,473	55,744,917	81.72
2019-2020	69,661,665	56,927,774	81.72
2020-2021	71,873,934	58,573,133	81.49
2021-2022 (Budgeted)	73,476,753 [1]	59,539,217	81.03
2022-2023 (Budgeted)	77,259,312 [2]	61,244,318	79.27

[1] Does not include $500,000 of appropriated fund balance.
[2] Does not include $250,000 of appropriated fund balance.

Source: 2016-17 through and including the 2020-21 audited financial statements of the District and 2021-22 and 2022-23 adopted budgets (unaudited) of the District. This table is not audited.

Larger Taxpayers – 2021 Assessment Roll for 2021-22 District Tax Roll

Name	Type	Taxable Assessed Valuation
Glorious Sun Robert Martin LLC	Real Estate	$ 33,817,590
Orange and Rockland Utilities	Utility	24,388,775
Spring Valley Water/Corwick	Water	19,249,342
The Club/Millenium Mngt.	Real Estate	10,792,400
Clarins USA Inc.	Fragrances	8,660,000
2000 Corporate Drive LLC	Data Center	8,500,000
New York State	Municipal	8,320,198
JPMorgan Chase	Financial Services	8,305,750
Brightview Lake Tappan	Senior Living	7,865,000
Subaru Distributors	Automotive	6,402,700

The ten larger taxpayers listed above have a total assessed valuation of $136,301,755, which represents 11.4% of the tax base of the District for the 2021-2022 fiscal year.

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certioraris that are known or expected to have a material impact on the District's finances.

Source: District officials.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $90,550 or less in 2021-22 and $92,000 or less in 2022-2023, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $70,700 for the 2021-22 school year and $74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A new homeowner may receive a new personal income tax credit in the form of a check. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared with a $500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While former Governor Cuomo had issued various Executive Orders in response to COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

The 2022-23 Enacted State Budget provides $2.2 billion in State funding for a new property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

Town of:	Enhanced Exemption	Basic Exemption	Date Certified
Orangetown	$ 62,200	$ 24,910	4/7/2022

$4,155,104 of the District's $57,803,420 school tax levy for the 2020-21 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2021.

$3,708,978 of the District's $58,926,118 school tax levy for the 2021-22 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2022.

Additional Tax Information

Real property located in the District is assessed by the Town.

Senior citizens' and Veterans' exemptions are offered to those who qualify.

TAX LEVY LIMIT LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020; however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Notes.

See "State Aid" for a discussion of the *New Yorkers for Students' Educational Rights v. State of New York* case which includes a challenge to the supermajority requirements regarding school district property tax increases.

STATUS OF INDEBTEDNESS

Constitutional and Statutory Requirements

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

<u>Purpose and Pledge</u>. The District shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been initially contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

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

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in the anticipation of the bonds. No down payment is required in connection with the issuance of District obligations. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the commissioner of Education of the State.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, or summary thereof, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The District has complied with such procedure with respect to the Notes.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Notes. However, such finance board may delegate the power to sell the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York, provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2017	2018	2019	2020	2021
Bonds	$ 10,185,000	$ 8,620,000	$ 10,325,000	$ 8,525,000	$ 7,140,000
Bond Anticipation Notes	3,500,000	3,400,000	10,000,000	16,500,000	28,345,000
Energy Performance Contract	2,933,264	2,666,431	2,390,544	2,105,295	1,810,368
Total Debt Outstanding	$ 16,618,264	$ 14,686,431	$ 22,715,544	$ 27,130,295	$ 37,295,368

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 23, 2022.

Type of Indebtedness	Maturity		Amount
Bonds	2023-2039		$ 18,735,000
Bond Anticipation Notes			
Capital Project	July 22, 2022		21,170,000 [1]
		Total Indebtedness	$ 39,905,000

[1] To be redeemed at maturity with proceeds of the Notes and $250,000 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 23, 2022:

Full Valuation of Taxable Real Property			$ 2,795,731,886
Debt Limit – 10% thereof			279,573,189
Inclusions:			
Bonds	$ 18,735,000		
Bond Anticipation Notes	21,170,000		
Total Inclusions		$ 39,905,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 39,905,000
Net Debt-Contracting Margin			$ 239,668,189
The percent of debt contracting power exhausted is			14.27%

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2022-23 Building Aid Ratios, the District anticipates State Building aid of 55.9% for debt service on SED approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the District will receive in relation to its capital project indebtedness.

Notes: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Note: The above debt statement summary does not include energy performance contracts outstanding, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations. (See "Lease Financing Obligations" herein).

Bonded Debt Service

A schedule of bonded debt service may be found in "*APPENDIX – B*" to this Official Statement.

Lease Financing Obligations

During the 2010-11 fiscal year, the District entered into a $4,190,555 energy performance contract to install energy saving equipment and upgrade existing facilities to enhance energy performance. The agreement provides for semi-annual payments of $181,654, including interest at 3.36% through October 2026. The following is a schedule of future lease payments as of June 30, 2022:

Fiscal Year Ending	Principal	Interest
2023	$ 315,282	$ 48,026
2024	325,981	37,328
2025	337,041	26,227
2026	348,478	14,830
2027	178,651	3,006
Total Payments	$ 1,810,368	$ 187,790

Source: Audited Financial Statements of the District for the Fiscal Year Ending June 30, 2021.

The District is exploring the possibility of an Energy Performance Contract. The scope and cost of the project are not available as of the date of this Official Statement.

Authorized but Unissued Obligations

On May 16, 2017, the qualified voters of the District approved a proposition for a capital improvement project to finance the construction or improvements and alterations to School District buildings at a maximum estimated cost of $32,182,000, including the expenditure of $3,182,000 from reserve funds (the "Capital Project"). On June 9, 2020, the qualified voters of the District approved to increase the maximum cost of the Capital Project by an additional $7,000,000, for a total revised maximum estimated cost of $39,182,000, and the issuance of not to exceed $36,000,000 bonds to finance the Capital Project.

A summary of borrowings for the Capital Project is outlined below:

Purpose	Bond Resolution Date	Original Issue Date	Total Amount Issued To Date	Principal Payment	Amount Bonded To Date	Balance Of Notes Outstanding
Capital Project	6/6/2017	7/24/2018	$ 10,000,000	$ 850,000	$ 9,150,000	$ -
Capital Project	6/6/2017	7/24/2019	6,500,000	110,000	4,720,000	1,670,000
Capital Project	6/6/2017	7/23/2020	12,000,000	-	-	12,000,000
Capital Project	6/6/2017	7/22/2021	500,000	-	-	500,000
Capital Project	7/7/2020	7/22/2021	7,000,000	-	-	7,000,000
		Totals:	$ 36,000,000	$ 960,000	$ 13,870,000	$ 21,170,000

The District is exploring the possibility of an Energy Performance Contract. The scope and cost of the project are not available as of the date of this Official Statement.

Other than for the Capital Project above in progress, the District has no other capital projects authorized at this time

Borrowings for Cash Flow Purposes

The District has not issued tax or revenue anticipation notes for the last five fiscal years. The District does not currently anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

Estimated Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding indebtedness of such political subdivisions is as follows:

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Rockland	12/31/2020	$ 565,493,039	$ 215,679,000	$ 349,814,039	6.56%	$ 22,947,801
Town of:						
Orangetown	12/31/2020	68,674,652	-	68,674,652	31.11%	21,364,684
					Total:	$ 44,312,485

Notes:
(1) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.
(2) Water and sewer debt and / or appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2020 for the County and Town.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 23, 2022:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 39,905,000	$ 2,630.00	1.43%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	84,217,485	5,550.48	3.01

(a) The 2020 estimated population of the District is 15,173. (See "*THE SCHOOL DISTRICT – District Population*" herein.)
(b) The District's full value of taxable real estate for its 2021-22 tax roll is $2,795,731,886. (See "T*AX INFORMATION – Taxable Assessed Valuations*" herein.)
(c) See "Debt Statement Summary" herein.
(d) Estimated net overlapping indebtedness is $44,312,485. (See "*Estimated Overlapping Indebtedness*" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

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

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

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "State Aid" and "Events Affecting New York School Districts" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

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

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

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

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid, as well as resulting in a delay or reduction of sales tax receipts or other revenues of the District. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the State has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Schools and business have since reopened. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See also "*State Aid*" and "*State Aid History*" herein).

The District does not expect to realize any significant negative impacts from the COVID-19 pandemic through its 2022-23 fiscal year or for the foreseeable future under current conditions.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificate of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement this opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a "Discount Note"), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner's adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Note (a "Premium Note"). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the bond premium over the remaining term of the Premium Note, based on the owner's yield over the remaining term of the Premium Note determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Note, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

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

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to Provide Notice of Material Events Certificate, the form, substantially of which, is attached hereto as "APPENDIX-D – FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS".

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued as book-entry securities, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale with the approval of the School District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "*APPENDIX-D - UNDERTAKING TO PROVIDE NOTICES OF EVENTS*" herein.)

Moody's Investors Service ("Moody's") has assigned its rating of "Aa2" to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's, 7 World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Notes.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Ann Marie Tromer, Assistant Superintendent for Business, 135 West Crooked Hill Road, Pearl River, NY 10965, 845-620-3999, e-mail: tromera@pearlriver.org.

Additional information may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

This Official Statement has been duly executed and delivered by the President of the Board of Education of the School District.

PEARL RIVER UNION FREE SCHOOL DISTRICT

Dated: June __, 2022

JACKIE DUBIL CRAIG
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	**2017**	**2018**	**2019**	**2020**	**2021**
ASSETS					
Cash & Cash Equivalents	$ 15,681,124	$ 14,529,490	$ 15,343,358	$ 15,047,344	$ 14,949,349
State and Federal Aid Receivable	354,846	366,953	316,221	292,616	456,629
Due from Other Governments	729,887	683,959	1,453,639	803,607	1,168,379
Due from Other Funds	203,217	1,248,718	282,150	3,062,091	1,091,593
Accounts Receivable	9,270	72,077	62,569	23,939	52,304
TOTAL ASSETS	$ 16,978,344	$ 16,901,197	$ 17,457,937	$ 19,229,597	$ 17,718,254
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 334,491	$ 456,713	$ 422,810	$ 479,451	$ 268,681
Accrued Liabilities	3,644,612	3,758,434	3,815,534	4,032,352	4,116,169
Due to Other Funds	-	-	2,819,537	3,500,481	50,509
Due to Other Governments	478,863	1,319,600	925,910	264,111	316,565
Due to Retirement Systems	3,468,195	3,050,708	3,335,269	2,897,402	3,259,063
Deferred Inflows	-	-	-	219,245	-
Compensated Absences Payable	-	922	162,410	173,132	203,679
TOTAL LIABILITIES	$ 7,926,161	$ 8,586,377	$ 11,481,470	$ 11,566,174	$ 8,214,666
FUND EQUITY					
Restricted	$ 6,519,113	$ 6,549,547	$ 3,612,017	$ 3,695,914	$ 4,433,053
Unreserved:					
Assigned	353,064	451,290	612,029	1,127,821	2,111,465
Unassigned	2,180,006	1,313,983	1,752,421	2,839,688	2,959,070
TOTAL FUND EQUITY	9,052,183	8,314,820	5,976,467	7,663,423	9,503,588
TOTAL LIABILITIES & FUND EQUITY	$ 16,978,344	$ 16,901,197	$ 17,457,937	$ 19,229,597	$ 17,718,254

Source: Audited Financial Statements of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
REVENUES					
Real Property Taxes	$ 47,458,875	$ 48,557,121	$ 50,080,596	$ 51,843,241	$ 53,648,316
Other Tax Items	5,896,021	5,960,063	5,664,321	5,084,533	4,924,817
Charges for Services	115,053	115,231	118,540	68,404	137,948
Use of Money & Property	594,280	883,842	1,170,450	1,004,549	653,655
Sale of Property and Compensation for Loss	690	18,781	575	-	-
Miscellaneous	484,379	312,485	436,476	572,512	883,762
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	10,041,847	10,330,943	10,669,199	10,950,273	11,248,166
Revenues from Federal Sources	2,087	448	73,316	138,153	377,270
Total Revenues	$ 64,593,232	$ 66,178,914	$ 68,213,473	$ 69,661,665	$ 71,873,934
Other Sources:					
Interfund Transfers	-	-	836,990	-	-
Premium on obligations	-	-	41,577	-	-
Total Revenues and Other Sources	$ 64,593,232	$ 66,178,914	$ 69,092,040	$ 69,661,665	$ 71,873,934
EXPENDITURES					
General Support	$ 6,554,487	$ 6,477,308	$ 6,568,488	$ 6,809,625	$ 8,060,614
Instruction	38,610,653	40,259,061	41,405,096	41,325,165	41,944,869
Pupil Transportation	2,952,656	3,135,458	3,285,004	2,843,242	3,043,460
Community Services	-	-	-	-	-
Employee Benefits	13,774,137	14,141,444	14,906,209	14,189,263	14,545,661
Debt Service	2,285,803	2,295,677	2,382,677	2,653,530	2,237,849
Total Expenditures	$ 64,177,736	$ 66,308,948	$ 68,547,474	$ 67,820,825	$ 69,832,453
Other Uses:					
Interfund Transfers	968,357	607,329	2,882,919	153,884	201,316
Total Expenditures and Other Uses	$ 65,146,093	$ 66,916,277	$ 71,430,393	$ 67,974,709	$ 70,033,769
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(552,861)	(737,363)	(2,338,353)	1,686,956	1,840,165
FUND BALANCE					
Fund Balance - Beginning of Year	9,605,044	9,052,183	8,314,820	5,976,467	7,663,423
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 9,052,183	$ 8,314,820	$ 5,976,467	$ 7,663,423	$ 9,503,588

Source: Audited Financial Statements of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2021 Original Budget	2021 Final Budget	2021 Audited Actual	2022 Adopted Budget	2023 Adopted Budget
REVENUES					
Real Property Taxes	$ 53,648,316	$ 53,648,316	$ 53,648,316	$ 58,926,118	$ 60,602,084
Other Tax Items	5,016,138	5,016,138	4,924,817	613,099	642,234
Charges for Services	82,000	82,000	137,948	87,000	92,000
Use of Money & Property	834,264	834,264	653,655	679,414	664,126
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	357,200	357,200	883,762	560,000	530,600
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	10,954,290	10,954,290	11,248,166	12,576,122	14,638,268
Revenues from Federal Sources	100,000	100,000	377,270	35,000	90,000
Total Revenues	$ 70,992,208	$ 70,992,208	$ 71,873,934	$ 73,476,753	$ 77,259,312
Other Sources:					
Interfund Transfers	-	-	-	-	-
Premium on obligations	-	-	-	-	-
Total Revenues and Other Sources	$ 70,992,208	$ 70,992,208	$ 71,873,934	$ 73,476,753	$ 77,259,312
EXPENDITURES					
General Support	$ 7,659,190	$ 9,568,529	$ 8,060,614	$ 7,432,730	$ 8,117,332
Instruction	42,810,904	42,466,865	41,944,869	43,467,626	44,925,977
Pupil Transportation	3,572,756	3,066,244	3,043,460	3,770,197	3,964,323
Community Services	-	-	-	-	-
Employee Benefits	15,470,175	14,567,542	14,545,661	15,688,673	17,022,650
Debt Service	2,394,004	2,237,849	2,237,849	3,489,527	3,366,030
Total Expenditures	$ 71,907,029	$ 71,907,029	$ 69,832,453	$ 73,848,753	$ 77,396,312
Other Uses:					
Interfund Transfers	213,000	213,000	201,316	128,000	113,000
Total Expenditures and Other Uses	$ 72,120,029	$ 72,120,029	$ 70,033,769	$ 73,976,753	$ 77,509,312
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(1,127,821)	(1,127,821)	1,840,165	(500,000)	(250,000)
FUND BALANCE					
Fund Balance - Beginning of Year	1,127,821	1,127,821	7,663,423	500,000	250,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 9,503,588	$ -	$ -

Source: Audited Financial Statements and budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE
(as of June 23, 2022)

Fiscal Year Ending June 30th	Principal	Interest	Total
2022	$ -	$ -	$ -
2023	2,300,000	420,545	2,720,545
2024	1,645,000	370,645	2,015,645
2025	1,685,000	333,695	2,018,695
2026	1,010,000	294,926	1,304,926
2027	1,035,000	270,376	1,305,376
2028	1,055,000	248,551	1,303,551
2029	1,080,000	226,211	1,306,211
2030	1,100,000	203,251	1,303,251
2031	1,125,000	179,684	1,304,684
2032	1,155,000	155,484	1,310,484
2033	1,180,000	130,584	1,310,584
2034	1,205,000	104,903	1,309,903
2035	1,235,000	78,428	1,313,428
2036	1,260,000	51,128	1,311,128
2037	215,000	23,058	238,058
2038	220,000	15,640	235,640
2039	230,000	8,050	238,050
TOTALS	$ 18,735,000	$ 3,115,158	$ 21,850,158

Note: This Appendix does not include outstanding Energy Performance Contract indebtedness of the District. See "Energy Performance Contract" herein.

CURRENT BONDS OUTSTANDING
(as of June 23, 2022)

Fiscal Year Ending June 30th	$7,660,000 2007 Bonds Principal	Interest	Total	$6,240,000 2015 Refunding Bonds Principal	Interest	Total
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	690,000	13,800	703,800	665,000	41,669	706,669
2024	-	-	-	680,000	28,369	708,369
2025	-	-	-	695,000	14,769	709,769
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
TOTALS	$ 690,000	$ 13,800	$ 703,800	$ 2,040,000	$ 84,806	$ 2,124,806

Fiscal Year Ending June 30th	$3,335,000 2019 Bonds Principal	Interest	Total	$13,870,000 2021 Bonds Principal	Interest	Total
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	130,000	104,476	234,476	815,000	260,600	1,075,600
2024	135,000	97,976	232,976	830,000	244,300	1,074,300
2025	140,000	91,226	231,226	850,000	227,700	1,077,700
2026	145,000	84,226	229,226	865,000	210,700	1,075,700
2027	150,000	76,976	226,976	885,000	193,400	1,078,400
2028	155,000	72,851	227,851	900,000	175,700	1,075,700
2029	160,000	68,511	228,511	920,000	157,700	1,077,700
2030	165,000	63,951	228,951	935,000	139,300	1,074,300
2031	170,000	59,084	229,084	955,000	120,600	1,075,600
2032	180,000	53,984	233,984	975,000	101,500	1,076,500
2033	185,000	48,584	233,584	995,000	82,000	1,077,000
2034	190,000	42,803	232,803	1,015,000	62,100	1,077,100
2035	200,000	36,628	236,628	1,035,000	41,800	1,076,800
2036	205,000	30,028	235,028	1,055,000	21,100	1,076,100
2037	215,000	23,058	238,058	-	-	-
2038	220,000	15,640	235,640	-	-	-
2039	230,000	8,050	238,050	-	-	-
TOTALS	$ 2,975,000	$ 978,051	$ 3,953,051	$ 13,030,000	$ 2,038,500	$ 15,068,500

FORM OF APPROVING LEGAL OPINION

July 21, 2022

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Pearl River Union Free School District, (the "School District"), in the County of Rockland, a school district of the State of New York and have examined a record of proceedings relating to the authorization, sale and issuance of the $20,920,000 Bond Anticipation Notes for School Construction - 2022 (the "Notes"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Notes are valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Notes in order that the interest on the Notes be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Notes, restrictions on the investment of proceeds of the Notes prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Notes to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Notes, the School District will execute a Tax Certificate relating to the Notes containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Notes will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Notes, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

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

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Notes or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Notes.

Very truly yours,

UNDERTAKING TO PROVIDE NOTICE OF EVENTS

Section 1. Definitions

"EMMA" shall mean the Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" shall mean "financial obligation" as such term is defined in the Rule.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Holder" shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

"Issuer" shall mean the **Pearl River Union Free School District**, in the County of Rockland, a School District of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Purchaser" shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the School Board as of July 21, 2022.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

"Securities" shall mean the Issuer's $20,920,000 Bond Anticipation Notes for School Construction-2022, dated July 21, 2022, maturing on July 21, 2023, and delivered on the date hereof.

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

(1) principal and interest payment delinquencies;

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

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

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

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

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

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

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

(9) defeasances;

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

(11) rating changes;

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

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

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

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material,

(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priorities rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. <u>Remedies</u>. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. <u>Parties in Interest</u>. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. <u>Amendments</u>. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **July 21, 2022.**

PEARL RIVER UNION FREE SCHOOL DISTRICT

By____

President of the Board of Education

PEARL RIVER UNION FREE SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2021

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

PEARL RIVER UNION FREE SCHOOL DISTRICT FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH INDEPENDENT AUDITOR'S REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

RS ABRAMS & CO. LLP

Accountants & Consultants for Over 75 years

PEARL RIVER UNION FREE SCHOOL DISTRICT

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Robert S. Abrams
(1926–2014)

R.S. ABRAMS & CO., LLP
Accountants & Consultants for Over 75 years

Marianne E. Van Duyne, CPA
Alexandria M. Battaglia, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Pearl River Union Free School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Pearl River Union Free School District (the "District"), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's 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 auditor's 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

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Emphasis of Matter

As described in Note 1 of the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, during the year ended June 30, 2021. 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 the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total other post-employment benefits liability, schedule of District's proportionate share of the net pension liability, and the schedule of District's contributions on pages 3 through 16 and 59 through 63, respectively, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary financial information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 other supplementary financial information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2021 on our consideration of the 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 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 District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 12, 2021

The following is a discussion and analysis of the Pearl River Union Free School District's (the "District") financial performance for the fiscal year ended June 30, 2021. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- The District's expenses for the year, as reflected in the District-Wide Financial Statements, totaled $80,067,765. Of this amount, $535,177 was offset by program charges for services, and $2,111,875 was offset by operating grants and contributions, and capital grants and contributions. General revenues of $71,171,159 amount to 96.41% of total revenues.

- The general fund total fund balance, as reflected in the Fund Financial Statements, increased by $1,840,165. This was due to an excess of revenues over expenditures and other financing uses based on the modified accrual basis of accounting.

- On July 23, 2020, the District issued a bond anticipation note (BAN) for $28,345,000, to redeem the bond anticipation note of $16,500,000. The $28,345,000 note matures on July 23, 2021.

- The District implemented GASB Statement No. 84, *Fiduciary Activities,* in 2021. This resulted in the restatement of opening net position in the amount of $491,707.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

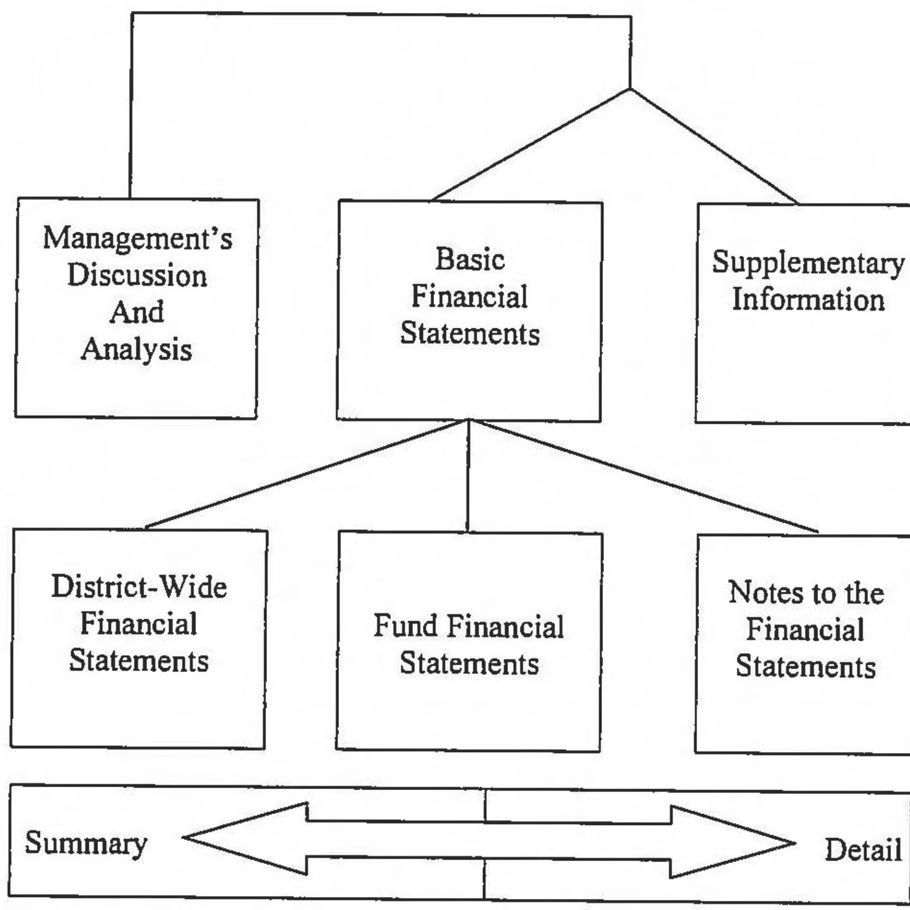
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.

    - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.

    - *Fiduciary Fund Financial Statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, including the employees of the District.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. The following shows how the various parts of this annual report are arranged and related to one another.

Organization of the District's Annual Financial Report



The following table summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide Financial Statements and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as property taxes collected on behalf of another local government.
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset/deferred outflow of resources and liability/deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Current assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All financial assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any), short-term and long-term
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

A) <u>District-Wide Financial Statements:</u>

The District-Wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-Wide Financial Statements report the District's net position and how it has changed. Net position, the difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases and decreases in net position is an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

District-Wide Financial Statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;
- Depreciate capital assets and allocate the depreciation to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
  - *Net investment in capital assets*;
  - *Restricted net position* are those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation; and
  - *Unrestricted net position* are net position that do not meet any of the above restrictions.

B) Fund Financial Statements:

The Fund Financial Statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

The District has two kinds of funds:

- *Governmental funds*: Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Financial Statements, additional information in a separate reconciliation schedule explains the relationship (or differences) between them. In summary, the Governmental Fund Financial Statements focus primarily on the sources, uses, and balance of current financial resources and often have a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, capital projects fund, and miscellaneous special revenue fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

- *Fiduciary funds*: The District reports its fiduciary activities in the fiduciary fund – custodial fund. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments, and utilizes the economic resources measurement focus and the accrual basis of accounting. All of the District's fiduciary activities are reported in a separate statement. The fiduciary activities have been excluded from the district-wide financial statements because the District cannot use the assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position:

Current assets, and unrestricted net position, and total net position for 2020 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities.* This Statement eliminates the trust and agency fund and private purpose fund and now records those activities in the general fund and miscellaneous special revenue fund. See Footnote 20 "Restatement of Fund Balance and Net Position" for further information.

	As Restated 2020	As Reported 2020	Increase (Decrease)
Current assets	$ 20,996,485	$ 20,504,778	$ 491,707
Net Position			
Unrestricted (Deficit)	(103,011,131)	(103,502,838)	491,707
Total Net Position (Deficit)	(70,402,020)	(70,893,727)	491,707

The District's net position decreased by $6,249,554 in the fiscal year ended June 30, 2021 as detailed in the table that follows.

Condensed Statement of Net Position

	2021	As Restated 2020	Change	Total Percentage Change
Current assets	$ 18,782,532	$ 20,996,485	$ (2,213,953)	-10.54%
Capital assets	69,404,607	55,906,923	13,497,684	24.14%
Net pension asset -proportionate share		4,405,967	(4,405,967)	-100.00%
Total Assets	88,187,139	81,309,375	6,877,764	8.46%
Deferred outflows of resources	25,488,708	23,278,501	2,210,207	9.49%
Total assets and deferred outflows of resources	113,675,847	104,587,876	9,087,971	8.69%
Current liabilities	38,215,629	27,038,718	11,176,911	41.34%
Long-term liabilities	140,414,640	135,035,071	5,379,569	3.98%
Total Liabilities	178,630,269	162,073,789	16,556,480	10.22%
Deferred inflows of resources	11,697,152	12,916,107	(1,218,955)	-9.44%
Total liabilities and deferred inflows of resources	190,327,421	174,989,896	15,337,525	8.76%
Net Position				
Net investment in capital assets	32,058,949	28,715,163	3,343,786	11.64%
Restricted	4,610,836	3,893,948	716,888	18.41%
Unrestricted (deficit)	(113,321,359)	(103,011,131)	(10,310,228)	-10.01%
Total Net Position (Deficit)	$ (76,651,574)	$ (70,402,020)	$ (6,249,554)	-8.88%

Current assets decreased by $2,213,953 from 2020 to 2021. This change is primarily related to a decrease in cash offset by increases in due from state and federal receivable and due from other governments.

Capital assets (net of depreciation) increased $13,497,684 due to the increase in construction projects offset by current year depreciation. The District reported a net pension liability – proportionate share for the teachers' retirement system of $4,712,842 as a result of the actuarial valuation provided by the state.

The change in deferred outflows of resources represents amortization of the pension related items and the change in the District's contributions subsequent to the measurement date and net pension liabilities, as discussed in Note 13, as well as amortization on the deferred charges on refunding, as discussed in Note 12 and the amortization of the other post-employment benefits liability related items, as discussed in Note 15.

Current liabilities increased by $11,176,911. This is primarily attributable to the increases in accrued liabilities, due to teachers' retirement system, and the bond anticipation note payable offset by a decrease in accounts payable. Long-term liabilities increased by $5,379,569 due to an increase in the total other post-employment benefits obligation along with an increase in the net pension liability for teachers' retirement system. The change in deferred inflows represent amortization of pension related items as discussed in Note 13, and the amortization of deferred inflows for other post-employment benefits obligation, as discussed in Note 15.

The net investment in capital assets relates to the investment in capital assets at cost such as land, construction in progress, buildings & improvements, and furniture & equipment, net of depreciation and related debt (including debt related items such as premiums and deferred charges). This number increased from the prior year by $3,343,786 primarily due to capital additions offset by current year depreciation.

The restricted net position at June 30, 2021, relates to the District's general reserves, debt service, tax certiorari, and scholarship and donations. Restricted net position increased by $716,888.

The unrestricted deficit at June 30, 2021 of $113,321,359 relates to the balance of the District's net position. The unrestricted net deficit increased by $10,310,228.

B) <u>Changes in Net Position</u>:

Charges for services and instruction expenses were increased due to the implementation of GASB Statement No. 84, *Fiduciary Activities.* The following schedule outlines these changes:

	As Restated 2020	As Reported 2020	Increase (Decrease)
Revenues			
Charges for services	$ 905,435	$ 440,124	$ 465,311
Expenses			
Instruction	65,126,802	64,677,053	449,749

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2021 and 2020 are as follows:

Change in Net Position from Operating Results

	2021	As Restated 2020	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	$ 535,177	$ 905,435	$ (370,258)	-40.89%
Operating grants and contributions	2,067,110	1,663,320	403,790	24.28%
Capital grants and contributions	44,765	547,748	(502,983)	-91.83%
General Revenues				
Real property taxes and other tax items	58,573,133	56,927,774	1,645,359	2.89%
Use of money and property	653,681	1,005,776	(352,095)	-35.01%
State sources	11,028,921	11,169,518	(140,597)	-1.26%
Other	915,424	710,665	204,759	28.81%
Total Revenues	73,818,211	72,930,236	887,975	1.22%
Expenses				
General support	11,919,764	9,176,828	2,742,936	29.89%
Instruction	63,989,776	65,126,802	(1,137,026)	-1.75%
Pupil transportation	3,118,819	3,072,233	46,586	1.52%
Debt service - interest	481,512	625,844	(144,332)	-23.06%
Food service program	557,894	795,974	(238,080)	-29.91%
Other		3,850	(3,850)	-100.00%
Total Expenses	80,067,765	78,801,531	1,266,234	1.61%
Total Change in Net Position	$ (6,249,554)	$ (5,871,295)	$ (378,259)	-6.44%

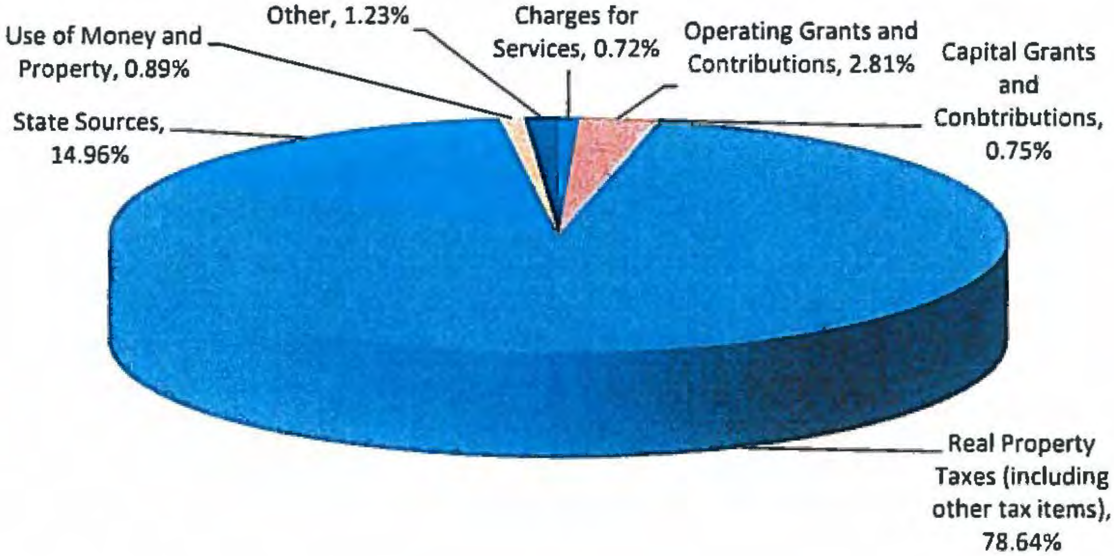
The District's fiscal year 2021 revenues totaled $73,818,211. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 78.64% and 14.96.%, respectively of total revenue. The remainder came from fees charged for services, operating grants and contributions, capital grants and contributions, use of money and property, and other miscellaneous sources.

Total revenues increased by $887,975 or 1.22%. This was primarily attributable to an increase in real property taxes and other tax items.

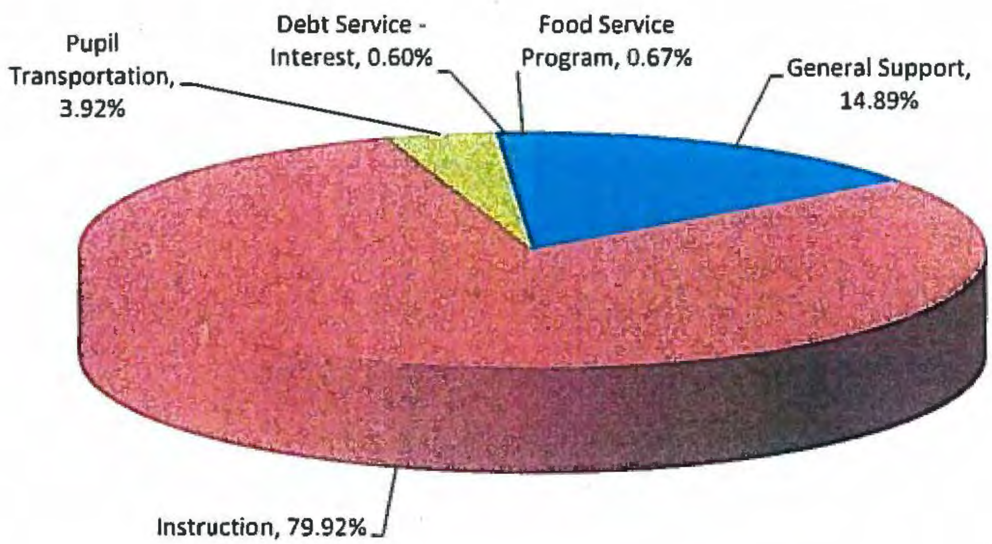
The cost of all programs and services totaled $80,067,765 for fiscal year 2021. These expenses are predominantly related to instruction, which account for 79.92% of District expenses. The District's general support activities accounted for 14.89% of total costs. Total expenses increased by $1,266,234 or 1.61%, remaining fairly constant.

The users of the District's programs financed $535,177 of the cost. The federal and state governments subsidized certain programs with operating grants and contributions of $2,067,110 and capital grants and contributions of $44,765.

Revenues for Fiscal Year 2021



Expenditures for Fiscal Year 2021



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variances between years for the Fund Financial Statements are not the same as variances between years for the District-Wide Financial Statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term liabilities, certain deferred outflows or inflows, and capital assets purchased by the District. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt, and the current payments on other long-term liabilities.

As of June 30, 2021, the District's combined governmental funds reported a total fund balance (deficit) of $19,052,464 which is a increase in the deficit of $13,236,853 from the prior year. Fund balance for 2020 was restated to include a miscellaneous special revenue fund for extraclassroom activities due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. See Note 20 "Restatement of Fund Balances and Net Position" for further information.

A summary of the change in fund balance for all the funds is as follows:

	2021	As Restated 2020	Increase/ (Decrease)	Total Percentage Change
General Fund				
Restricted for retirement contribution	$ 1,603,819	$ 1,236,778	$ 367,041	29.68%
Restricted for employee benefit accrued liability	679,149	677,456	1,693	0.25%
Restricted for debt service	14,932	14,894	38	0.26%
Restricted for tax certiorari	2,135,153	1,766,786	368,367	20.85%
Assigned - general support	1,304,760	763,531	541,229	70.89%
Assigned - instruction	293,705	364,179	(70,474)	-19.35%
Assigned - pupil transportation	13,000	-	13,000	N/A
Assigned- employee benefits	-	111	(111)	-100.00%
Assigned-designated for subsequent year's expenditures	500,000	-	500,000	N/A
Unassigned	2,959,070	2,839,688	119,382	4.20%
Total Fund Balance - General Fund	$ 9,503,588	$ 7,663,423	$ 1,840,165	24.01%
School Lunch Fund				
Nonspendable	$ 7,263	$ 5,906	$ 1,357	22.98%
Assigned - unappropriated	299,488	274,115	25,373	9.26%
Total Fund Balance - School Lunch Fund	$ 306,751	$ 280,021	$ 26,730	9.55%
Capital Projects Fund				
Unassigned	$ (29,339,750)	$ (14,448,797)	$ (14,890,953)	-103.06%
Miscellaenous Special Revenue Fund				
Restricted for scholarships and donations	$ 177,783	$ 198,035	$ (20,252)	-10.23%
Assigned - unappropriated fund balance	299,164	491,707	(192,543)	-39.16%
Total Fund Balance - Miscellaenous Special Revenue Fund	$ 476,947	$ 689,742	$ (212,795)	-30.85%
Total Fund Balance - All Funds	$ (19,052,464)	$ (5,815,611)	$ (13,236,853)	227.61%

A) General Fund:

The net change in fund balance for the general fund was an increase of $1,840,165, as a result of revenues of $71,873,934 exceeding expenditures and other financing uses of $70,033,769.

B) School Lunch Fund:

The net change in fund balance for the school lunch fund increased by $26,730, as a result of revenues of $534,237 exceeding expenditures of $507,507.

C) Capital Projects Fund:

The net change in fund balance for capital projects fund is a decrease of $14,890,953 bringing fund balance to a net deficit of $29,339,750. This decrease was due to an excess of expenditures over revenues and other financing sources. The capital projects fund received $44,765 in state aid and an interfund transfer from the general fund of $100,000 offset by capital outlay expenditures of $15,035,718. The deficit fund balance is due to capital work on the bond projects that were approved in May 2017, for which permanent financing has not been obtained.

D) Miscellaneous Special Revenue Fund:

The net change in fund balance in the miscellaneous special revenue fund is due to extraclassroom and scholarship expenditures exceeding revenue.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2020-2021 Budget:

The District's general fund adopted budget for the fiscal year ended June 30, 2021 was $70,992,208. This amount was increased by encumbrances carried forward from the prior year in the amount of $1,127,821, bringing the final budget to $72,120,029. The majority of the funding was real property taxes and other tax items budget of $58,664,454.

B) Change in the General Fund Unassigned Fund Balance (Budget to Actual):

The general fund unassigned fund balance is a component to total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and assignments to fund subsequent years' budgets. It is this balance that is commonly referred to as "Fund Balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget are as follows:

Opening, unassigned fund balance	$	2,839,688
Revenues over budget		881,726
Expenditures and other financing uses and encumbrances under budget		474,795
Transfer to reserves		(727,899)
Interest allocated to reserves		(9,240)
Assigned, appropriated for June 30, 2022 budget		(500,000)
Closing, unassigned fund balance	$	2,959,070

The opening unassigned fund balance of $2,839,688 is the June 30, 2020 unassigned fund balance.

The revenues over budget of $881,726 were primarily in state sources, as well as miscellaneous revenues. Refer to Supplemental Schedule #1 for more details.

The expenditures and encumbrances under budget of $474,795 were primarily in central services, pupil services, and teaching-regular school. Refer to Supplemental Schedule #1 for more details.

The District transferred $727,899 to the reserves as follows: $363,949 to the reserve for teachers' retirement system reserve and $363,950 to the tax certiorari reserve.

Interest of $9,240 was allocated to the reserves as follows: $3,092 to the retirement contribution reserve, $1,693 to the employee benefit accrued liability reserve, $4,417 to the tax certiorari reserve, and $38 to the reserve for debt service.

The District closed the 2021-2022 fiscal year with $2,959,070 in unassigned fund balance. NYS Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is within the legal limit.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A) Capital Assets:

The District paid for equipment, and various building additions and renovations during the fiscal year ended June 30, 2021. A summary of the District's capital assets net of depreciation are as follows:

Capital Assets (Net of Depreciation)

Category	2021	2020	Net Increase/ (Decrease)	Percentage Change
Land	$ 963,800	$ 963,800	$ -	0.00%
Construction in Progress	19,133,601	4,097,883	15,035,718	366.91%
Improvements other than buildings	8,757,823	8,757,823	-	0.00%
Buildings & Improvements	71,079,942	71,079,942	-	0.00%
Machinery & Equipment	1,131,014	1,142,163	(11,149)	-0.98%
Subtotal	101,066,180	86,041,611	15,024,569	17.46%
Less: Accumulated Depreciation	31,661,573	30,134,688	1,526,885	5.07%
Total Net Capital Assets	$ 69,404,607	$ 55,906,923	$ 13,497,684	24.14%

The District had capital additions and construction in progress of $15,067,035 and recorded depreciation expense and loss on disposals of $1,569,351.

B) Long-Term Debt:

At June 30, 2021, the District had total debt payable of $9,038,075. The decrease in bonds payable and energy performance contract debt payable is due to the current year principal payments and amortization on the bond premiums. More detailed information about the District's long-term debt is presented in the Notes to the Financial Statements. A summary of outstanding debt at June 30, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Bonds payable (inclusive of unamortized premium)	$ 7,227,707	$ 8,632,199	$ (1,404,492)
Energy performance contract debt payable	1,810,368	2,105,295	(294,927)
Total	$ 9,038,075	$ 10,737,494	$ (1,699,419)

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

A) The general fund budget for the 2021-22 school year in the amount of $73,976,753 was approved by voters. This is an increase of $2,984,545 or 4.20% over the previous year's budget. The tax cap discussed below, as well as uncertainty in state aid and federal funds, as well as potential operating adjustments that may impact the District's future budgets.

B) Future budgets may be negatively affected by certain trends impacting school districts. These factors include rising health care premiums, increased costs associated with meeting the requirements for instructional services and the property tax cap which will continue to impact the District's ability to fund its current cost of services.

C) In July 2021, the District was awarded CRSSA funding of $2,119,053 through the Elementary and Secondary School Emergency Relief Program (ESSER), and $199,406 for the Governor's Emergency Education Relief Program (GEER). The funds are to be used for eligible expenditures, which support the District's ability to continue to provide educational services. The funds will be recognized in the Special Aid Fund as they are expended. As of the date of financial statement issuance, the District has received $423,810 for ESSER and $39,881 for GEER of the awarded amount.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

Pearl River Union Free School District
Attn: Ann Marie Tromer
Assistant Superintendent for Business
135 West Crooked Hill Road
Pearl River, NY 10965
(845) 620-3900

PEARL RIVER UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	
Current assets	
Cash	
Unrestricted	$ 11,255,580
Restricted	4,610,836
Receivables	
Accounts receivable	52,304
State and federal aid	1,688,170
Due from other governments	1,168,379
Inventories	7,263
Capital assets	
Capital assets not being depreciated	20,097,401
Capital assets being depreciated, net of accumulated depreciation	49,307,206
TOTAL ASSETS	88,187,139
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	19,237,273
Other post-employment benefits obligation	6,214,018
Deferred charges on refundings	37,417
TOTAL DEFERRED OUTFLOWS OF RESOURCES	25,488,708
LIABILITIES	
Payables	
Accounts payable	1,296,645
Accrued liabilities	4,385,589
Accrued interest payable	380,633
Due to teachers' retirement system	3,064,599
Due to employees' retirement system	194,464
Compensated absences payable	203,679
Due to other governments	316,644
Note payable	
Bond anticipation note	28,345,000
Unearned credits	
Collections in advance	28,376
Long-term liabilities	
Due and payable within one year	
Bonds payable (inclusive of unamortized premiums)	1,454,492
Energy performance contract debt payable	304,935
Compensated absences payable	179,107
Due and payable after one year	
Bonds payable (inclusive of unamortized premiums)	5,773,215
Energy performance contract debt payable	1,505,433
Compensated absences payable	1,382,368
Termination benefits payable	1,090,656
Total other post-employment benefits obligation	123,998,515
Net pension liability - proportionate share - employees' retirement system	13,077
Net pension liability - proportionate share - teachers' retirement system	4,712,842
TOTAL LIABILITIES	178,630,269
DEFERRED INFLOWS OF RESOURCES	
Pensions	6,522,810
Other post-employment benefits obligation	5,174,342
TOTAL DEFERRED INFLOWS OF RESOURCES	11,697,152
NET POSITION	
Net investment in capital assets	32,058,949
Restricted	
Employees' retirement system	1,239,870
Teachers' retirement system	363,949
Employee benefit accrued liability	679,149
Debt service	14,932
Tax certiorari	2,135,153
Scholarships and donations	177,783
	4,610,836
Unrestricted (deficit)	(113,321,359)
TOTAL NET POSITION (DEFICIT)	$ (76,651,574)

Exhibit 3

PEARL RIVER UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS / PROGRAMS					
General support	$ (11,919,764)	$	$	$	$ (11,919,764)
Instruction	(63,989,776)	452,786	1,604,694	44,765	(61,887,531)
Pupil transportation	(3,118,819)		10,596		(3,108,223)
Debt service-interest	(481,512)				(481,512)
Food service program	(557,894)	82,391	451,820		(23,683)
TOTAL FUNCTIONS AND PROGRAMS	$ (80,067,765)	$ 535,177	$ 2,067,110	$ 44,765	(77,420,713)
GENERAL REVENUES					
Real property taxes					53,648,316
Other tax items - including STAR reimbursement					4,924,817
Use of money and property					653,681
Miscellaneous					883,762
State sources					11,028,921
Medicaid reimbursement					31,662
TOTAL GENERAL REVENUES					71,171,159
CHANGE IN NET POSITION					(6,249,554)
TOTAL NET POSITION - BEGINNING OF YEAR (AS RESTATED, SEE NOTE 20)					(70,402,020)
TOTAL NET POSITION - END OF YEAR					$ (76,651,574)

See Accompanying Notes to Financial Statements

PEARL RIVER UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Special Aid	School Lunch	Capital Projects	Miscellaneous Special Revenue	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	$ 10,516,296	$ 77,635	$ 236,490	$ 127,559	$ 297,600	$ 11,255,580
Restricted	4,433,053				177,783	4,610,836
Receivables						
Accounts receivable	52,304					52,304
State and federal aid	456,629	1,064,386	167,155			1,688,170
Due from other governments	1,168,379					1,168,379
Due from other funds	1,091,593	48,945			1,564	1,142,102
Inventories			7,263			7,263
TOTAL ASSETS	$ 17,718,254	$ 1,190,966	$ 410,908	$ 127,559	$ 476,947	$ 19,924,634
LIABILITIES						
Payables						
Accounts payable	$ 268,681	$ 65,237	$ 75,124	$ 887,603	$	$ 1,296,645
Accrued liabilities	4,116,169	44,928		224,492		4,385,589
Due to other governments	316,565		79			316,644
Due to other funds	50,509	1,080,801	578	10,214		1,142,102
Due to teachers' retirement system	3,064,599					3,064,599
Due to employees' retirement system	194,464					194,464
Compensated absences payable	203,679					203,679
Note payable						
Bond anticipation note payable				28,345,000		28,345,000
Unearned credits						
Collections in advance			28,376			28,376
TOTAL LIABILITIES	8,214,666	1,190,966	104,157	29,467,309	-	38,977,098
FUND BALANCES						
Nonspendable: Inventory			7,263			7,263
Restricted						
Employees' retirement system	1,239,870					1,239,870
Teachers' retirement system	363,949					363,949
Employee benefit accrued liability	679,149					679,149
Debt service	14,932					14,932
Tax certiorari	2,135,153					2,135,153
Scholarships and donations					177,783	177,783
Assigned						
Appropriated fund balance	500,000					500,000
Unappropriated fund balance	1,611,465		299,488		299,164	2,210,117
Unassigned	2,959,070			(29,339,750)		(26,380,680)
TOTAL FUND BALANCES	9,503,588	-	306,751	(29,339,750)	476,947	(19,052,464)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 17,718,254	$ 1,190,966	$ 410,908	$ 127,559	$ 476,947	$ 19,924,634

See Accompanying Notes to Financial Statements

PEARL RIVER UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2021

Total Governmental Fund Balances		$ (19,052,464)

Amounts reported for governmental activities in the Statement of Net Position are different because:

The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	$ 101,066,180	
Accumulated depreciation	(31,661,573)	69,404,607

Governmental funds report the effect of discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Deferred charges on refundings		37,417

Deferred inflows of resources - The Statement of Net Position recognizes revenues under the full accrual method. Governmental funds recognize revenue under the modified accrual method. These amounts will be amortized in future years.

Deferred inflows related to pensions	$ (6,522,810)	
Deferred inflows related to other post-employment benefits	(5,174,342)	(11,697,152)

Payables that are associated with certain short-term and long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to short and long-term liabilities at year end consisted of accrued interest payable of: (380,633)

Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows related to pensions and other post-employment benefits that will be recognized as expenditures in future periods amounted to:

Deferred outflows related to other post-employment benefits	$ 6,214,018	
Deferred outflows related to pensions	19,237,273	25,451,291

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable (inclusive of unamortized premiums)	$ (7,227,707)	
Energy performance contract debt payable	(1,810,368)	
Compensated absences payable	(1,561,475)	
Termination benefits payable	(1,090,656)	
Total other post-employment benefits obligation	(123,998,515)	
Net pension liability - proportionate share -		
Employees' retirement system	(13,077)	
Teachers' retirement system	(4,712,842)	(140,414,640)

Total Net Position		$ (76,651,574)

PEARL RIVER UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Special Aid	School Lunch	Capital Projects	Miscellaneous Special Purpose	Total Governmental Funds
REVENUES						
Real property taxes	$ 53,648,316	$	$	$	$	$ 53,648,316
Other tax items - including STAR reimbursement	4,924,817					4,924,817
Charges for services	137,948				314,838	452,786
Use of money and property	653,655		26			653,681
Miscellaneous	883,762				7,100	890,862
State sources	11,248,166	146,221	432,408	44,765		11,871,560
Federal sources	377,270	1,116,361	19,412			1,513,043
Sales			82,391			82,391
TOTAL REVENUES	71,873,934	1,262,582	534,237	44,765	321,938	74,037,456
EXPENDITURES						
General support	8,060,614					8,060,614
Instruction	41,944,869	1,353,302			534,733	43,832,904
Pupil transportation	3,043,460	10,596				3,054,056
Employee benefits	14,545,661					14,545,661
Debt service - principal	1,679,928					1,679,928
Debt service - interest	557,921					557,921
Cost of sales			507,507			507,507
Capital outlay				15,035,718		15,035,718
TOTAL EXPENDITURES	69,832,453	1,363,898	507,507	15,035,718	534,733	87,274,309
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,041,481	(101,316)	26,730	(14,990,953)	(212,795)	(13,236,853)
OTHER FINANCING SOURCES (USES)						
Operating transfers in		101,316		100,000		201,316
Operating transfers (out)	(201,316)					(201,316)
TOTAL OTHER FINANCING SOURCES (USES)	(201,316)	101,316	-	100,000	-	-
NET CHANGE IN FUND BALANCES	1,840,165	-	26,730	(14,890,953)	(212,795)	(13,236,853)
FUND BALANCES - BEGINNING OF YEAR (AS RESTATED, SEE NOTE 20)	7,663,423	-	280,021	(14,448,797)	689,742	(5,815,611)
FUND BALANCES - END OF YEAR	$ 9,503,588	$ -	$ 306,751	$ (29,339,750)	$ 476,947	$ (19,052,464)

See Accompanying Notes to Financial Statements

Exhibit 7

PEARL RIVER UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances		$ (13,236,853)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
In the Statement of Activities, certain operating expenses are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used.		
Increase in compensated absences payable		(119,671)
Increase in termination benefits payable		(218,329)
Changes in the proportionate share of net pension asset/liability, and total other post-employment benefits obligation and related deferred inflows and outflows reported in the Statement of Activities do not provide or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' retirement system	$ (3,442,665)	
Employees' retirement system	299,586	
Other post-employment benefits obligation	(4,566,398)	(7,709,477)
Deferred inflows of resources - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. The difference in revenues recognized under the full accrual method for the fiscal year ended June 30, 2021 is		(219,245)
Capital Related Items		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.		
Capital outlays	$ 15,067,035	
Depreciation expense	(1,568,909)	
Loss on disposal	(442)	13,497,684
Long-Term Debt Transactions		
Repayment of bond principal is an expenditure in the governmental funds, but it reduced long-term in the Statement of Net Position and does not affect the Statement of Activities.		1,385,000
Repayment of energy performance contract debt payable is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of		294,928
Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as it accrues. Accrued interest from June 30, 2020 to June 30, 2021 changed by		65,233
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. The amount of on bond premiums and deferred charges is:		11,176
Change in Net Position		$ (6,249,554)

Exhibit 8

PEARL RIVER UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
JUNE 30, 2021

	Custodial
ASSETS	
Cash and cash equivalents	$ -
TOTAL ASSETS	$ -
LIABILITIES	
Other liabilities	$ -
TOTAL LIABILITIES	$ -
NET POSITION	
Unrestricted	$ -
Restricted	-
TOTAL NET POSITION	$ -

See Accompanying Notes to Financial Statements

PEARL RIVER UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Custodial
ADDITIONS	
Real property taxes collected for Library	$ 3,151,607
TOTAL ADDITIONS	3,151,607
DEDUCTIONS	
Real property taxes disbursed to Library	3,151,607
TOTAL DEDUCTIONS	3,151,607
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 20)	-
NET POSITION - END OF YEAR	$ -

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Pearl River Union Free School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the District are described below:

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of five members. The Board of Education serves as the legislative body and has the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters. In addition, the Board is responsible for, and controls all activities related to public school education within the District. The Superintendent is the chief executive officer.

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component unit and other organizational entities determined to be includable in the District's financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of an entity included in the District's financial reporting entity.

B) Joint venture:

The District is a component district that participates in the Rockland County Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs, which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

C) Basis of presentation:

District-wide financial statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants and contributions, while the capital grants and contributions include capital specific grants, if applicable.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements:

The Fund Financial Statements provide information about the District's funds, including the fiduciary fund. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund: This fund is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund: This fund is used to account for the activities of the District's food service operations.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Miscellaneous Special Revenue Fund: This fund is used to account for assets held by the District in accordance with grantor or contributor stipulations. Other activities included in this fund are extraclassroom activities.

The District reports the following fiduciary fund:

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the District-Wide Financial Statements because their resources do not belong to the District and are not available to be used. The District's fiduciary fund include the custodial fund, where assets and liabilities are held by the District as an custodian, including property taxes collected on behalf of another local government.

D) Measurement focus and basis of accounting:

The District-Wide Financial Statements and Fiduciary Fund 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 at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly, receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, termination benefits, net pension liabilities, and other post-employment benefits obligation, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E) **Real property taxes:**

Calendar

Real property taxes are levied annually by the Board of Education, and become a lien on July 1st. Taxes are collected by the Town of Orangetown and are remitted to the District September through October 31, after which collection responsibility is transferred to the County as discussed below.

Enforcement

Uncollected real property taxes are subsequently enforced by Rockland County ("the County") in which the District is located. The County pays an amount representing uncollected real property taxes to the District no later than the following April 1st.

F) **Restricted resources:**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

G) **Interfund transactions:**

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

In the District-Wide Financial Statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary fund). Eliminations have been made for all interfund receivables and payables between the funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) **Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflow of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, termination benefits payable, other post-employment benefits, potential contingent liabilities, net pension liabilities, and useful lives of capital assets.

I) **Cash and cash equivalents:**

The District's cash and cash equivalents consist of cash on hand and demand deposits.

J) **Receivables:**

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) **Inventories and prepaid items:**

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's stated value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Non-spendable fund balance for these non-liquid assets (inventories) has been recognized in the school lunch fund to signify that a portion of fund balance is not available for other subsequent expenditures.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-Wide and fund financial statements. These items are reported as assets on the Statement of Net Position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. The District had no prepaid items at June 30, 2021.

L) **Capital assets:**

Capital assets are reflected in the District-Wide Financial Statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the time received.

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds (the individual dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Improvements other than buildings	\$5,000	straight line	20 years
Buildings and improvements	\$5,000	straight line	50 years
Machinery and equipment	\$5,000	straight line	5-20 years

M) **Collections in advance:**

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2021 consisted of prepaid balances for meals in the school lunch fund.

N) **Deferred outflows and inflows of resources:**

In addition to assets, the Statement of Net Position will sometimes report 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. The District has three items that qualify for reporting in this category. These amounts are related to deferred charges on refundings, pensions and other post-employment benefits reported on the District-Wide Statement of Net Position, and are detailed further in Notes 12, 13 and 15 respectively.

In addition to liabilities, the Statement of Net Position will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. These amounts are related to pensions and other post-employment benefits reported on the District-Wide Statement of Net Position, and are detailed further in Notes 13 and 15, respectively.

O) Vested employee benefits:

Compensated absences:

Compensated absences consist of unpaid accumulated annual vacation time and sick time.

Vacation and sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated vacation or sick leave. Certain collectively bargained agreements may require these termination payments to be paid in the form of non-elective contributions into the employees' 403(b) plan.

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is included in the District-Wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

Termination benefits:

Retirement incentive consist of eligible retirement incentive payments as specific in collective bargaining agreements. The liability is calculated in accordance with GASB Statement No. 47 *Accounting for Termination Benefits*. The liability is calculated on years of service plus rates in effect at year end.

In the Fund Financial Statements only, the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis. A liability is included only for those employees who have obligated themselves to separate from service with the District by June 30th.

P) Other benefits:

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Section 403(b) and 457.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payments). In the District-Wide Financials Statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*

Q) **Short-term debt:**

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RAN and TAN represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue dated. Refer to Note 10 for more information on short term debt.

R) **Accrued liabilities and long-term obligations:**

Payables, accrued liabilities and long-term obligations are reported in the District-Wide Financial Statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Compensated absences, termination benefits payable, net pension liability, and other post-employment benefit obligations that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds, energy performance contract debt, and other long-term obligations that will be paid from governmental funds are recognized as a liability in the Fund Financial Statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due within one year or due after one year in the Statement of Net Position.

S) **Equity classifications:**

District-Wide Financial Statements:

In the District-Wide Financial Statements there are three classes of net position:

Net investment in capital assets consists of net capital assets (cost less accumulated depreciation) plus unamortized deferred charges on refunding, reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets, as well as the unamortized premiums on bonds.

Restricted net position – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Financial Statements:

There are five classifications of fund balance as detailed below; however, in the Fund Financial Statements there are four classifications of fund balance presented:

Non-spendable fund balance – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund of $7,263.

Restricted fund balance – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The District has established the following as restricted:

Retirement Contribution Reserve

Retirement Contribution Reserve (GML§6-r), must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers' Retirement System subfund is subject to contribution limits. This reserve is accounted for in the general fund.

Employee Benefit Accrued Liability Reserve

Employee benefit accrued liability reserve (GML§6-p), must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund.

Debt Service

The unexpended balances of proceeds of borrowings for capital projects, interest and earning from investing proceeds of borrowings, and borrowing premiums can be recorded as amounts restricted for debt service. These restricted funds are accounted for in the general fund.

Tax Certiorari

Tax Certiorari reserve (EL§3651) must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the general fund.

Scholarships and Donations

Amounts restricted for scholarships and donations are used to account for monies donated for scholarship purposes, net of earnings and awards. These restricted funds are accounted in the miscellaneous special revenue fund.

Committed fund balance – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (i.e. Board of Education). The District has no committed fund balances as of June 30, 2021.

Assigned fund balance – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District management through Board policies. This classification also includes the remaining positive fund balance for all governmental funds except for the general fund.

Unassigned fund balance – Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

The unassigned deficit fund balance in the capital projects fund of ($29,339,750) will be eliminated once permanent financing from debt issuance is obtained and New York State Smart Schools Bond Act funds are received.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4% limitation.

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (i.e., expenditures related to reserves) the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

T) New accounting pronouncements:

GASB has issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), effective for the fiscal year ended June 30, 2021. It provides guidance for identifying fiduciary activities, primarily based on whether the government is controlling the assets, and the beneficiaries with whom the fiduciary relationship exists, and on how different fiduciary activities should be reported. The District has adopted and implemented GASB Statement No. 84, *Fiduciary Activities*, in 2021. See Note 20 for further consideration.

U) Future accounting pronouncements:

GASB has issued Statement No. 87, *Leases*, effective for fiscal year ended June 30, 2022. This Statement establishes a single model for lease accounting based on the idea that leases are financings of the right-to-use an underlying asset. As such, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources.

This is the statement that the District feels may have an impact on these financial statements and are not an all-inclusive list of GASB statements issued. The District will evaluate the impact this pronouncement may have on its financial statements and will implement them as applicable and when material.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS:

Due to the differences in the measurement focus and basis of accounting used in the Fund Financial Statements and the District-Wide Financial Statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

(A) Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. The difference primarily results from additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

(B) Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of the three broad categories. The amounts shown below represent:

(i) Long-term revenue and expense differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accruals basis, whereas the accrual basis of accounting is used on the Statement of Activities.

(ii) Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

(iii) Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations, if any, that occurred during the fiscal year are shown on the other supplemental information – schedule of change from adopted budget to final budget.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B) Encumbrances:

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as amounts assigned in the fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash:

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

A) Uncollateralized;
B) Collateralized with securities held by the pledging financial institution in the District's name; or
C) Collateralized with securities held by the pledging financial institution's trust department or custodian, but not in the District's name.

All of the District's aggregate bank balances were covered by depository insurance or collateralized with securities held by the pledging financial institution in the District's name at year end.

Restricted cash:

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2021 included $4,610,836 within the governmental funds for general reserve purposes, and scholarships.

Investments:

The District participates in the Cooperative Liquid Assets Securities System – New York (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with General Municipal Law, Sections 10 and 11.

Total investments of the cooperative at June 30, 2021 are $2,312,707,557 which consisted of $371,757,483 in repurchase agreements, $1,940,950,074 in U.S. Treasury Securities and $1,057,257,103 in collateralized bank deposits, with various interest rates and due dates.

The following amounts are included as cash:

Fund	Carrying Amount
General	$13,918

The above amounts represent the fair value of the investment pool shares. The Lead Participant of NYCLASS is the Village of Potsdam. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year, the District was billed $9,315,467 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,787,305. Financial statements for the BOCES are available from the BOCES administrative office located at 65 Parrott Road, West Nyack, New York 10994.

NOTE 6 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2021 consisted of BOCES aid receivable in the amount of $1,168,379.

District management has deemed these amounts to be fully collectible.

NOTE 7 – STATE AND FEDERAL AID RECEIVABLE:

State and federal aid receivable at June 30, 2021 consisted of the following:

General Fund	
Excess cost aid	$ 156,997
CARES Act	236,418
Unemployment insurance	63,214
	456,629
Special Aid Fund	
Federal grants	908,482
State grants	155,904
Total	1,064,386
School Lunch Fund	
Federal reimbursement - meals	164,052
State reimbursement - meals	3,103
Total	167,155
Total - All Funds	$ 1,688,170

District management has deemed these amounts to be fully collectible.

NOTE 8 - CAPITAL ASSETS:

Capital asset balances and activity for the fiscal year ended June 30, 2021 were as follows:

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 963,800	$	$	$ 963,800
Construction in progress	4,097,883	15,035,718		19,133,601
Total capital assets not being depreciated	5,061,683	15,035,718		20,097,401
Capital assets being depreciated:				
Improvements other than buildings	8,757,823			8,757,823
Buildings and improvements	71,079,942			71,079,942
Machinery and equipment	1,142,163	31,317	(42,466)	1,131,014
Total capital assets being depreciated	80,979,928	31,317	(42,466)	80,968,779
Less accumulated depreciation:				
Improvements other than buildings	971,242	173,543		1,144,785
Building and improvements	28,587,114	1,329,420		29,916,534
Machinery and equipment	576,332	65,946	(42,024)	600,254
Total accumulated depreciation	30,134,688	1,568,909	(42,024)	31,661,573
Total capital assets being depreciated, net	50,845,240	(1,537,592)	(442)	49,307,206
Total capital assets, net	$ 55,906,923	$ 13,498,126	$ (442)	$ 69,404,607

Depreciation expense and loss on disposals were charged to governmental functions as follows:

Instruction	$ 46,946
General support	1,465,859
Food service program	50,387
Transportation	6,159
Total depreciation expense	$ 1,569,351

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. It is expected that all interfund payables should be repaid within one year.

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	$ 1,091,593	$ 50,509	$	$ 201,316
Special aid fund	48,945	1,080,801	101,316	
School lunch fund		578		
Capital projects fund		10,214	100,000	
Miscellaneous special revenue fund	1,564			
Totals	$ 1,142,102	$ 1,142,102	$ 201,316	$ 201,316

The District transferred from the general fund to the special aid fund to fund the District's share of the summer program for students with disabilities and the State supported Section 4201 schools. The District transferred from the general fund to the school lunch fund to subsidize negative student lunch balances.

NOTE 10 – SHORT-TERM LIABILITIES:

Transactions in short-term debt for the year are summarized below:

	Issue Date	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	7/24/2019	7/24/2020	2.25%	$ 16,500,000	$	$ (16,500,000)	$
BAN	7/23/2020	7/23/2021	1.25%		28,345,000		28,345,000
				$ 16,500,000	$ 28,345,000	$ (16,500,000)	$ 28,345,000

The BANs were issued to finance capital fund projects.

A) **Short-Term Interest:**

Interest on short-term debt for the year was comprised of:

	Total
Interest paid	$ 238,845
Less interest accrued in the prior year	(344,438)
Plus interest accrued in the current year	328,723
Total interest expense on short-term debt	$ 223,130

NOTE 11 – LONG-TERM LIABILITIES:

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Bonds payable					
Construction bonds	$ 8,525,000	$	$ (1,385,000)	$ 7,140,000	$ 1,435,000
Unamortized premiums on bonds	107,199		(19,492)	87,707	19,492
	8,632,199	-	(1,404,492)	7,227,707	1,454,492
Other liabilities					
Energy performance contract debt payable	2,105,295		(294,927)	1,810,368	304,935
Compensated absences payable	1,441,804	323,350	(203,679)	1,561,475	179,107
Termination benefits payable	872,328	430,367	(212,039)	1,090,656	
Total other post-employment benefits	118,176,454	8,779,196	(2,957,135)	123,998,515	
Net pension liability - proportionate share					
Employees' retirement system	3,806,991		(3,793,914)	13,077	
Teachers' retirement system	-	4,712,842		4,712,842	
Total long-term liabilities	$ 135,035,071	$ 14,245,755	$ (8,866,186)	$ 140,414,640	$ 1,938,534

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, energy performance contract debt payable, compensated absences, termination benefits payable, other post-employment benefits and net pension liabilities.

A) **Bonds Payable:**

Bonds payable is comprised of the following:

Description	Issue Date	Issue Amount	Final Maturity	Interest Rates	Outstanding at June 30, 2021
Construction	2008	$ 7,660,000	September 2022	4.00-5.00%	$ 1,350,000
Refunding Bonds - Construction	2016	6,240,000	June 2025	2.00-5.00%	2,690,000
Construction	2019	3,335,000	May 2039	2.75-5.00%	3,100,000
					$ 7,140,000

The following is a summary of debt service requirements for the bond payable:

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	$ 1,435,000	$ 206,198	$ 1,641,198
2023	1,485,000	159,945	1,644,945
2024	815,000	126,345	941,345
2025	835,000	105,995	940,995
2026	145,000	84,226	229,226
2027-2031	800,000	341,374	1,141,374
2032-2036	960,000	212,025	1,172,025
2037-2039	665,000	46,748	711,748
	$ 7,140,000	$ 1,282,856	$ 8,422,856

Upon default of the payment of principal or interest on the serial bonds, the bond holders have the right to litigate and the New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance and apply the amount withheld to the payment of the defaulted principal or interest.

Unissued Debt

On May 16, 2017, voters approved a bond authorization for a total estimated cost not to exceed $32,182,000 with $3,182,000 of funding to come from the 2009 Capital Reserve to construct improvements and alterations to all buildings and/or sites. On June 16, 2020, voters approved a supplemental bond for $7,000,000. The District has not issued this debt as of June 30, 2020, leaving authorized but unissued long-term debt in the amount of $36,000,000. The District has issued a bond anticipation note for $28,345,000, which is outstanding at June 30, 2021 for interim financing of these projects.

B) Energy Performance Contract Debt Payable:

Energy performance contract debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Energy performance contract debt	2011	10/15/2026	3.36%	$ 1,810,368

The following is a summary of debt service requirements for the energy performance contract debt payable:

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	$ 304,935	$ 58,373	$ 363,308
2023	315,282	48,026	363,308
2024	325,981	37,328	363,309
2025	337,041	26,227	363,268
2026	348,478	14,830	363,308
2027	178,651	3,006	181,657
	$ 1,810,368	$ 187,790	$ 1,998,158

C) Long-Term Interest:

Interest on long-term debt for the year was comprised of:

	Total
Interest paid	$ 319,076
Less interest accrued in the prior year	(101,428)
Plus interest accrued in the current year	51,910
Less amortization on premiums on bonds	(19,491)
Plus amortization of deferred charges on refundings	8,315
Total interest expense on long-term debt	$ 258,382

D) Premiums on Bonds:

Premiums on bonds, net of amortization, are reported as a component of the related long-term liability, and amounted to $87,707 at June 30, 2021. These premiums are being amortized using the straight-line method over the respective lives of the bonds. Amortization is recorded as a reduction in interest expense on the District-Wide Statement of Activities.

NOTE 12 – DEFERRED OUTFLOWS OF RESOURCES – DEFERRED CHARGES ON REFUNDINGS:

Deferred charges on refunding result from the difference in the carrying value of the refunded debt and its reacquisition price. The deferred charges pertaining to the 2015 bond refunding, as recorded in the District-Wide Financial Statements as deferred outflows of resources at June 30, 2021 consisted of the following:

Deferred charges	$	83,149
Accumulated amortization		(45,732)
Net deferred charges on refunding	$	37,417

These deferred charges on refundings are being amortized on the District-Wide Financial Statements using the straight-line method over 10 years, the time to maturity of the refunding bonds, at the point of refunding, and is recorded as an increase to interest expense on the District-Wide Statement of Activities.

NOTE 13 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, 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. TRS issues a publically available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany NY 12211-2395 or by referring to the TRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

ii) Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS) (the System). This is a cost-sharing multiple –employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the

System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all new assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, 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 District also participates in the Public Employees' Group Life Insurance Plan (GLIP) which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

B) Funding Policies:

The Systems are noncontributory, except as follows:

1. New York State Teachers' Retirement System:
   a. Employees who joined the system after July 27, 1976
      i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
   b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
      i. Employees contribute 3.5% of their salary throughout active membership.
   c. Employees who joined the system on or after April 1, 2012
      i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

2. New York State Employees' Retirement System
   a. Employees who joined the system after July 27, 1976
      i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
   b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
      i. Employees contribute 3% of their salary throughout active membership.
   c. Employees who joined the system on or after April 1, 2012
      i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31. The District's contribution rates for ERS' fiscal year ended March 31, 2021 for covered payroll was 21.2% for Tier 1, 19.4% for Tier 2, 15.8% for Tiers 3 &4, 13.2% for Tier 5, and 9.3% for Tier 6.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2021 was 9.53% of covered payroll.

The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years based on covered payroll for the District's year end were:

	NYSERS	NYSTRS
2021	$ 774,854	$ 2,856,207
2020	$ 757,033	$ 2,564,898
2019	$ 778,184	$ 3,006,434

C) **<u>Pension Assets, Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions:</u>**

At June 30, 2021, the District reported the following liability for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	$ 13,077	$ 4,712,842
District's portion of the Plan's total net pension liability	0.0131330%	0.170553%
Change in proportion since the prior measurement date	-0.0019208%	0.000518%

For the fiscal year ended June 30, 2021, the District recognized pension expense of $477,681 for ERS and $6,300,265 for TRS.

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

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 159,706	$ 4,129,393	$	$ 241,524
Net difference between projected and actual earnings on pension plan investments		3,077,899	3,756,499	
Changes of assumptions	2,404,448	5,960,649	45,349	2,124,660
Changes in proportion and differences between the District's contributions and proportionate share of contributions	429,316	25,191	137,361	217,417
District's contributions subsequent to the measurement date	194,464	2,856,207		
	$ 3,187,934	$ 16,049,339	$ 3,939,209	$ 2,583,601

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Plan year ended:		
2021	$	$ 1,791,032
2022	(84,692)	3,661,204
2023	7,547	3,009,921
2024	(158,387)	1,859,909
2025	(710,207)	77,310
Thereafter		210,155
	$ (945,739)	$ 10,609,531

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.90%	7.10%
Salary scale	4.40%	4.72% - 1.90%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Inflation rate	2.70%	2.20%
Cost of living adjustments	1.4% annually	1.3%, annually

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System'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-2018, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selections 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 investment expense and inflation) for each major asset class, as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the valuation date are summarized below:

	ERS		TRS	
Measurement Date	March 31, 2021		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%	7.10%
International equity	15%	6.30%	16%	7.70%
Global equity			4%	7.40%
Private equity	10%	6.75%	8%	10.40%
Real estate	9%	4.95%	11%	6.80%
Opportunistic/Absolute return strategy	3%	4.50%		
Credit	4%	3.63%		
Real assets	3%	5.95%		
Fixed income	23%	0.00%		
Cash	1%	0.50%		
Domestic fixed income securities			16%	1.80%
Global bonds			2%	1.00%
High-yield bonds			1%	3.90%
Private debt			1%	5.20%
Real estate debt			7%	3.60%
Cash equivalents			1%	0.70%
	100%		100%	

The expected real rate of return is net of the long-term inflation assumptions of 2.00% for ERS, and 2.20% for TRS.

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 8.1% 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. Based upon the assumptions, the Systems' 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.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.90% for ERS and 8.10% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90% for ERS and 6.10% for TRS) or 1-percentagepoint higher (6.90% for ERS and 8.10% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
District's proportionate share of the net pension asset/(liability)	$ (3,629,683)	$ (13,077)	$ 3,322,280

TRS	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension asset/(liability)	$ (29,769,402)	$ (4,712,842)	$ 16,315,961

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurement dates, were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Employers' total pension liability	$ (220,680,157)	$ (123,242,776)
Plan Net Position	220,580,583	120,479,505
Employers' net pension asset/(liability)	$ (99,574)	$ (2,763,271)
Ratio of plan net position to the Employers' total pension asset/(liability)	99.95%	97.76%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to $194,464.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept, with a balance to be paid by the District, if necessary. 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 employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to $3,064,599.

NOTE 14 – OTHER RETIREMENT PLANS:

A) Tax Sheltered Annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the fiscal year ended June 30, 2021, totaled $212,039 and $2,170,191 respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for eligible employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the fiscal year ended June 30, 2021 totaled $160,116.

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A) General Information about the OPEB Plan:

Plan Description

The District's OPEB Plan (the "Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP), and are administered by Empire BlueCross BlueShield, United Healthcare, GHI/Value Options, and Caremark. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute between 50% and 85% of premiums for retirees with individual coverage, and 43% to 75% for family coverage, and 0% of the premiums for surviving spouses, depending on the coverage selected and date of retirement. The District recognizes the cost of the Plan annually as expenditures in the fund financial statements as payments are accrued. For fiscal year 2021, the District contributed an estimated $2,957,135 to the Plan, including $2,957,135 for current premiums and $0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the "pay as you go" method.

Employees Covered by Benefit Terms

At July 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	354
Active employees	343
	697

B) Total OPEB Liability:

The District's total OPEB liability of $123,998,515 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Discount rate	2.16%
Healthcare cost trend rates	6.60% decreasing to 4.10% over 56 years
Retirees' share of benefit-related costs	15% to 50% of projected health insurance premiums for retirees, 25% to 57% for family coverage, and 100% for surviving spouse

The discount rate was based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2017. Mortality improvement was projected to the date of decrement using Scale MP-2017 (generational mortality).

The actuarial assumptions used in the July 1, 2019 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable. The Plan does not have credible date on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

C) **Changes in the Total OPEB Liability:**

Balance at June 30, 2020	$ 118,176,454
Changes for the fiscal year:	
Service Cost	5,071,863
Interest on total OPEB liability	2,691,290
Effect of assumptions changes or inputs	1,016,043
Benefit payments	(2,957,135)
Net Changes	5,822,061
Balance at June 30, 2021	$ 123,998,515

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs include a change in the discount rate from 2.21% to 2.16% and a decrease in the medical trend rate from 6.6% to 4.1%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	$ 147,044,111	$ 123,998,515	$ 105,725,687

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current healthcare cost trend rates:

	1% Decrease (5.60% decreasing to 3.10%)	Healthcare Cost Trend Rates (6.60% decreasing to 4.10%)	1% Increase (7.60% decreasing to 5.10%)
Total OPEB liability	$ 104,806,488	$ 123,998,515	$ 149,391,350

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2021, the District recognized OPEB expense (credit) of $7,523,533. At June 30, 2021, the District reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ (519,579)
Changes of assumptions or other inputs	6,214,018	(4,654,763)
	$ 6,214,018	$ (5,174,342)

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

Fiscal Year ended June 30:	
2022	$ (239,620)
2023	(239,620)
2024	(239,620)
2025	749,453
2026	976,308
Thereafter	32,775
	$ 1,039,676

NOTE 16 - TERMINATION BENEFITS PAYABLE:

The District offers a retirement incentive to certain administrators and teachers outlined in their employment contract. In general, administrators having served at least five (5) years employed by the District are entitled to a retirement incentive of their daily rate multiplied by a factor of thirty (30) to forty (40) dependent upon years of service. Teachers having been employed by the District for at least 10 years and have at least 55 years of age are entitled to an incentive of their daily rate multiplied by a factor of twenty (20) to forty (40) dependent upon years of service. The current value of incentive payments earned is $1,090,656 and is recorded as a long-term liability on the Statement of Net Position.

NOTE 17 – RISK MANAGEMENT:

A) General:

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, cyber-crimes, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

B) Public Entity Risk Pool:

The District and neighboring districts in Rockland County, New York, participate in the Rockland County Schools Cooperative Self-Insurance Plan for Workers' Compensation. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The District has transferred all related risk to the Plan.

C) Self- Insured Plan:

The District has established a self-insured plan for dental benefits up to $2,500 per employee per year. Claims in excess of this amount are the responsibility of the employee. An administrator has been retained to manage this program. Expenditures for the fiscal year ended June 30, 2021 were $307,374.

NOTE 18 - TAX ABATEMENTS:

The County of Rockland, under the authority of General Municipal Law Section 925-1, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the county. The District's property tax revenue was reduced by $1,003,704 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling $817,355 for these programs during the fiscal year.

NOTE 19 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

All encumbrances are classified as assigned or restricted fund balance. At June 30, 2021, the District encumbered the following amounts:

Assigned: Unappropriated Fund Balance		
General fund		
General support	$	1,304,760
Instruction		293,705
Pupil transportation		13,000
	$	1,611,465

B) Grants:

The District has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the district's administration believes disallowances, if any, will be immaterial.

C) Litigation:

The District is involved in various litigation proceedings resulting from the normal conduct of its affairs. There are also pending tax certiorari proceedings, which may result in the District having to pay future tax refunds. The District has a reserve established to pay future payments for this.

NOTE 20 – RESTATEMENT OF FUND BALANCE AND NET POSITION:

During the year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*. The adoption and implementation of this Statement resulted in the reporting changes in current assets and other liabilities. The District's net fund balance and net position (deficit) have been restated as follows:

	General Fund	Special Purpose Fund	Miscellaneous Special Revenue Fund	Statement of Net Position (Deficit)
Fund Balance/Net Position (Deficit) Beginning of Year, as Reported	$ 7,663,423	$ 198,034	$ -	$ (70,893,727)
Assets				
Cash	2,167,193	(198,034)	689,742	2,658,900
Due from governmental funds	(2,167,193)			(2,167,193)
Total Assets	-	(198,034)	689,742	491,707
Fund Balance/Net Position (Deficit)				
Restricted for scholarships		(198,034)	198,034	-
Assigned unappropriated fund balance		-	491,708	491,707
Total Fund Balance/Net Position (Deficit)	-	(198,034)	689,742	491,707
Net increase (decrease) in Fund Balance/Net Position	-	(198,034)	689,742	491,707
Fund Balance/Net Position (Deficit) Beginning of Year, as Restated	$ 7,663,423	$ -	$ 689,742	$ (70,402,020)

NOTE 21 – SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through the date of this report and concluded the following subsequent events has occurred that would require disclosure in the notes to financial statements:

A) Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA):

In July 2021, the District was awarded CRSSA funding of $2,119,053 through the Elementary and Secondary School Emergency Relief Program (ESSER), and $199,406 for the Governor's Emergency Education Relief Program (GEER). The funds are to be used for eligible expenditures, which support the District's ability to continue to provide educational services. The funds will be recognized in the Special Aid Fund as they are expended. As of the date of financial statement issuance, the District has received $423,810 for ESSER and $39,881 for GEER of the awarded amount.

B) Bond Anticipation Note:

On July 22, 2021, the District issued a bond anticipation note (BAN) for $21,200,000, for interim financing of projects in the capital projects fund. The $21,200,000 note matures on July 23, 2022, with a stated interest rate of 1.25%.

C) Serial Bond Issuance:

On July 22, 2021, the District issued serial bonds in the amount of $13,870,000, for the financing of projects in the capital projects fund. The $13,870,000 serial bond matures on June 1, 2036 and has a stated interest rate of 2.00%. The District received the $14,251,880 serial bond (inclusive of premium of $531,880 less the good faith deposit of $150,000) on July 22, 2021.

SUPPLEMENTARY INFORMATION

PEARL RIVER UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	$ 53,648,316	$ 53,648,316	$ 53,648,316	$ -
Other real property tax items	5,016,138	5,016,138	4,924,817	(91,321)
Charges for services	82,000	82,000	137,948	55,948
Use of money & property	834,264	834,264	653,655	(180,609)
Miscellaneous	357,200	357,200	883,762	526,562
State Sources				
Basic formula	9,600,283	9,600,283	5,219,495	(4,380,788)
Excess cost aid	-	-	1,803,217	1,803,217
Lottery aid	-	-	1,992,254	1,992,254
BOCES aid	1,125,320	1,125,320	1,787,305	661,985
Textbook aid	202,215	202,215	147,140	(55,075)
Computer software/hardware aid	26,472	26,472	65,211	38,739
Library A/V loan program aid	-	-	16,162	16,162
Other state aid	-	-	217,382	217,382
Federal Sources	100,000	100,000	377,270	277,270
TOTAL REVENUES AND OTHER FINANCING SOURCES	70,992,208	70,992,208	$ 71,873,934	$ 881,726
Appropriated Fund Balance	-	-		
Appropriated Reserves	1,127,821	1,127,821		
TOTAL REVENUES, OTHER FINANCING SOURCES & APPROPRIATED FUND BALANCE & RESERVES	$ 72,120,029	$ 72,120,029		

Note to Required Supplementary Information

Budget Basis of Accounting
Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America

PEARL RIVER UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Supplemental Schedule #1 (Continued)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 56,800	$ 56,792	$ 51,723	$ -	$ 5,069
Central administration	305,151	304,094	302,802		1,292
Finance	676,593	632,787	595,661	23,885	13,241
Staff	541,080	584,845	546,046		38,799
Central services	5,153,433	7,104,809	5,736,562	1,280,375	87,872
Special items	926,133	885,202	827,820	500	56,882
Total general support	7,659,190	9,568,529	8,060,614	1,304,760	203,155
Instructional					
Instruction, admin. & improvement	2,306,735	2,471,614	2,447,809		23,805
Teaching - regular school	23,416,247	23,217,167	23,141,939	28,365	46,863
Programs for children with handicap conditions	10,704,924	10,260,048	10,221,083		38,965
Occupational education	550,000	597,705	597,705		-
Teaching special schools	23,100	23,100	532		22,568
Instructional media	2,417,244	2,585,127	2,318,120	241,166	25,841
Pupil services	3,392,654	3,312,104	3,217,681	24,174	70,249
Total instructional	42,810,904	42,466,865	41,944,869	293,705	228,291
Pupil transportation	3,572,756	3,066,244	3,043,460	13,000	9,784
Employee benefits	15,470,175	14,567,542	14,545,661		21,881
Debt service - principal	1,679,928	1,679,928	1,679,928		-
Debt service - interest	714,076	557,921	557,921		-
Total debt service	2,394,004	2,237,849	2,237,849	-	-
TOTAL EXPENDITURES	71,907,029	71,907,029	69,832,453	1,611,465	463,111
Other Financing Uses					
Transfers to other funds	213,000	213,000	201,316	-	11,684
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 72,120,029	$ 72,120,029	70,033,769	$ 1,611,465	$ 474,795
Net change in fund balances			1,840,165		
Fund balances - beginning of year			7,663,423		
Fund balances - end of year			$ 9,503,588		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

PEARL RIVER UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30,

TOTAL OPEB LIABILITY	2021	2020	2019	2018
Service cost	$ 5,071,863	$ 4,096,706	$ 4,485,678	$ 4,355,027
Interest	2,691,290	3,811,572	3,392,327	3,243,854
Effect of plan changes	-	(68,736)	-	-
Differences between expected and actual experience	-	-	-	(66,300)
Effect of demographic gains or losses	-	(690,313)	-	-
Changes of assumptions or other inputs	1,016,043	7,595,959	(8,886,365)	-
Benefit payments	(2,957,135)	(2,724,707)	(2,834,218)	(2,595,718)
NET CHANGE IN TOTAL OPEB LIABILITY	5,822,061	12,020,481	(3,842,578)	4,936,863
TOTAL OPEB LIABILITY - BEGINNING	118,176,454	106,155,973	109,998,551	105,061,688
TOTAL OPEB LIABILITY - ENDING	$ 123,998,515	$ 118,176,454	$ 106,155,973	$ 109,998,551
COVERED-EMPLOYEE PAYROLL	$ 31,882,053	$ 31,882,053	$ 32,906,300	$ 32,906,300
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLLL	388.93%	370.67%	322.60%	334.28%

NOTES TO SCHEDULE:

Trust assets

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

Changes of assumptions

Changes of assumptions or other inputs reflect the effects of changes in the discount rate each period.
The following are the discount rates used in each period:

2021	2.16%
2020	2.21%
2019	3.50%
2018	3.00%

Supplemental Schedule #3

PEARL RIVER UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (LIABILITY) / ASSET
FOR THE FISCAL YEARS ENDED JUNE 30, *

NYSERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension (liability)	0.0131330%	0.0143765%	0.0150538%	0.0149185%	0.0143885%	0.0151633%	0.0151660%
District's proportionate share of the net pension (liability)	$ (13,077)	$ (3,806,991)	$ (1,066,606)	$ (481,486)	$ (1,351,975)	$ (2,433,745)	$ (512,344)
District's covered payroll	$ 5,131,150	$ 5,141,050	$ 5,298,232	$ 5,367,848	$ 5,091,904	$ 4,946,282	$ 5,083,095
District's proportionate share of the net pension (liability) as a percentage of its covered payroll	0.25%	74.05%	20.13%	8.97%	26.55%	49.20%	10.08%
Plan fiduciary net position as a percentage of the total pension (liability)	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

NYSTRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension (liability) / asset	0.1705530%	0.1695900%	0.1700350%	0.1685680%	0.1680000%	0.1656780%	0.1621970%
District's proportionate share of the net pension (liability) / asset	$ (4,712,842)	$ 4,405,967	$ 3,074,673	$ 1,281,285	$ (1,799,353)	$ 17,208,666	$18,067,777
District's covered payroll	$28,949,182	$28,309,176	$27,696,716	$26,712,500	$25,924,133	$ 24,887,085	$24,164,140
District's proportionate share of the net pension (liability) / asset as a percentage of its covered payroll	16.28%	15.56%	11.10%	4.80%	6.94%	69.15%	74.77%
Plan fiduciary net position as a percentage of the total pension (liability) / asset	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

*The amounts presented for each fiscal year were determined as of the measurement dates of the plans.

PEARL RIVER UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30,

NYSERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 774,854	$ 757,033	$ 778,184	$ 812,014	$ 771,011	$ 870,435	$ 963,329
Contributions in relation to the contractually required contribution	774,854	757,033	778,184	812,014	771,011	870,435	963,329
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,185,786	$ 5,052,126	$ 5,271,847	$ 5,360,405	$ 4,960,337	$ 5,081,162	$ 5,140,966
Contributions as a percentage of covered payroll	14.94%	14.98%	14.76%	15.15%	15.54%	17.13%	18.74%

NYSTRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 2,856,207	$ 2,564,898	$ 3,006,434	$ 2,714,278	$ 3,130,705	$ 3,437,540	$ 4,362,706
Contributions in relation to the contractually required contribution	2,856,207	2,564,898	3,006,434	2,714,278	3,130,705	3,437,540	4,362,706
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 29,970,691	$ 28,949,182	$ 28,309,176	$ 27,696,716	$ 26,712,500	$ 25,924,133	$ 24,887,085
Contributions as a percentage of covered payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

See Paragraph on Required Supplementary Information Included in Auditor's Report

PEARL RIVER UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET -GENERAL FUND
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		$ 70,992,208
Add: Prior year's encumbrances		1,127,821
Final Budget		$ 72,120,029

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 voter approved expenditure budget		$ 73,976,753
Maximum allowed (4% of 2021-2022 budget)		$ 2,959,070
General fund fund balance subject to Section 1318 of Real Property Tax Law		
Assigned fund balance	$ 2,111,465	
Unassigned fund balance	2,959,070	
Total unrestricted fund balance		5,070,535
Less:		
Appropriated fund balance	$ 500,000	
Encumbrances included in assigned fund balance	1,611,465	
Total adjustments		2,111,465
General fund fund balance subject to Section 1318 of Real Property Tax Law		$ 2,959,070
Actual percentage		4.00%

See Paragraph on Other Supplementary Information Included in Auditor's Report

PEARL RIVER UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES -CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project Name	SED Code	Total Authorized Budget	Expenditures			Unexpended Balance	Methods of Financing					Fund Balance June 30, 2021
			Prior Years Expenses	Current Year Expenses	Total		Local Sources	Capital Reserve	Proceeds of Obligations	State Sources	Total	
Evans Park Elementary	0-002-012	$ 1,666,385	$ 1,666,385	$ -	$ 1,666,385	$ -	$ -	$ 699,143	$ -	$ -	$ 699,143	$ (967,242) *
Lincoln Avenue Elementary	0-003-012	1,521,379	1,521,379	-	1,521,379	-	-	699,143	-	-	699,143	(822,236) *
Franklin Avenue Elementary	0-010-011	1,940,675	1,940,675	-	1,940,675	-	-	699,143	-	-	699,143	(1,241,532) *
Pearl River HS Field Project	0-009-022	4,492,328	4,368,089	-	4,368,089	124,239	-	1,386,324	-	-	1,386,324	(2,981,765) *
Pearl River Middle School	0-011-017	12,585,440	1,759,960	5,713,307	7,473,267	5,112,173	-	-	-	-	-	(7,473,267) *
Pearl River High School	0-009-023	11,937,240	1,628,681	9,222,411	10,851,092	1,086,148	-	-	-	-	-	(10,851,092) *
Pearl River HS Field Project Phase II	0-009-025	3,497,728	3,376,402	-	3,376,402	121,326	-	-	-	-	-	(3,376,402) *
Press Box	7-015-002	180,000	177,520	-	177,520	2,480	-	-	-	-	-	(177,520) *
Bathroom/Concession Building	7-020-001	1,070,141	1,099,283	-	1,099,283	(29,142)	-	-	-	-	-	(1,099,283) *
Storage Building	2-019-001	290,684	288,185	-	288,185	2,499	-	-	-	-	-	(288,185) *
Smart Schools Bond Project			709,242	-	709,242	(709,242)	-	-	-	592,513	592,513	(116,729) **
2020-21 Improvements			-	100,000	100,000	(100,000)	100,000	-	-	-	100,000	-
Transfer to general fund			(55,503)	-	(55,503)	55,503	-	-	-	-	-	55,503
Total All Projects		$ 39,182,000	$ 18,480,298	$ 15,035,718	$ 33,516,016	$ 5,665,984	$ 100,000	$ 3,483,753	$ -	$ 592,513	$ 4,176,266	$ (29,339,750)

* Deficit fund balance will be eliminated once permanent financing is obtain by the issuance of bonds.
** Deficit fund balance will be eliminated once funding from New York State Smart Schools Bond Act is obtained.

See Paragraph on Other Supplementary Information Included in Auditor's Report

PEARL RIVER UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2021

Capital assets, net		$ 69,404,607
Add: Unamortized deferred charges on refundings		37,417
Deduct:		
Bond anticipation note payable	$ (28,345,000)	
Short-term portion of bonds payable (inclusive of unamortized premiums)	(1,454,492)	
Long-term portion of bonds payable (inclusive of unamortized premiums)	(5,773,215)	
Short-term portion of energy performance contract debt payable	(304,935)	
Long-term portion of energy performance contract debt payable	(1,505,433)	(37,383,075)
Net investment in capital assets		$ 32,058,949

R.S. ABRAMS & CO., LLP
Accountants & Consultants for Over 75 years

Robert S. Abrams
(1926–2014)

Marianne E. Van Duyne, CPA
Alexandria M. Battaglia, CPA

INDEPENDENT AUDITOR'S 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*

To the Board of Education
Pearl River Union Free School District

We have 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 financial statements of the governmental activities, each major fund, and the fiduciary fund of Pearl River Union Free School District (the "District"), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 12, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 12, 2021