

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

BOND ANTICIPATION NOTES

This Official Statement is in a form "deemed final" by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule").

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 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 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 Notes will NOT be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

\$13,500,000

DOBBS FERRY UNION FREE SCHOOL DISTRICT WESTCHESTER COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$13,500,000 Bond Anticipation Notes for School Construction - 2021

(the "Notes")

Dated: June 4, 2021

Due: June 3, 2022

The Notes are general obligations of the Dobbs Ferry Union Free School District, Westchester County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "THE NOTES – Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity.

At the option of the purchaser(s), the Note will be issued as book-entry only or registered in the name of the purchaser(s). If such Note is issued as registered in the name of the purchaser(s), principal of and interest on the Note will be payable in Federal Funds. In such case, a single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

Alternatively, if the Note is issued as book-entry only, the Note will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Note. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Note. Such Note will be issued in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder(s). If the Note is issued as registered notes, payment of the principal of and interest on the Note to the Beneficial Owner(s) of the Note will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM" herein.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on May 18, 2021 until 10:45 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

THE DATE OF THIS PRELIMINARY OFFICIAL STATEMENT IS MAY 6, 2021.

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 in book-entry or registered form through the facilities of DTC located in Jersey City, New Jersey, or as otherwise agreed by the purchaser and the District, on or about June 4, 2021.

DOBBS FERRY UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2020-2021 BOARD OF EDUCATION

LOUIS SCHWARTZ

President

RITA KENNEDY

Vice President

TRACY BARON
MASSIMO BUFALINI
SHANNON JOHNSON
JEAN LUCASEY
SHANNON STRINGER

* * * * *

ADMINISTRATION

LISA BRADY

Superintendent of Schools

RON CLAMSER

Assistant Superintendent for Finance, Facilities, and Operations

DAVE ROBERTIN

Director of Facilities

LORETTA TULARZKO

School District Clerk

SHAW, PERELSON, MAY & LAMBERT, LLP

School District Attorney



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor

Hawkins
DELAFIELD & WOOD LLP

HAWKINS DELAFIELD & WOOD

Bond Counsel

No person has been authorized by Dobbs Ferry Union Free School 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 Dobbs Ferry Union Free School District.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
DOBBS FERRY UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

Relating To
\$13,500,000 Bond Anticipation Notes for School Construction – 2021

This Official Statement, which includes the cover page, has been prepared by the Dobbs Ferry Union Free School District, Westchester County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$13,500,000 principal amount of Bond Anticipation Notes for School Construction – 2021 (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 created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. 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 event, the effects of which are extremely difficult to predict and quantify. (See "*Market Factors Affecting Financings of the State*" 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 of and interest on the Notes 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 "TAX LEVY LIMITATION LAW" herein.

The Notes are dated June 4, 2021 and mature, without option of prior redemption, on June 3, 2022. The Notes will be issued in either (i) the name of the purchaser with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) at the option of the purchaser(s), 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 "DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and a bond resolution duly adopted by the Board of Education on November 5, 2019 authorizing the issuance of \$18,277,378 serial bonds, and the use of \$1,700,000 capital reserve funds, for the purpose of construction of improvements to District buildings and sites.

The proceeds of the Notes will provide \$13,500,000 in new money for this purpose.

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)

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 therefore. However, Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. As the Notes are being issued to finance voter approved capital expenditures, the Notes qualify for such exclusion to the annual tax levy limitation. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "The 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.

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.

NO PAST DUE DEBT

No principal or interest payment on District indebtedness is past due.

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.

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, a limited-purpose trust company organized under the New York Banking Law, is 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.

Principal and interest 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 Dobbs Ferry Union Free School District is located in the southwest portion of Westchester County, approximately 20 miles north of New York City. The District lies wholly within the Town of Greenburgh (the “Town”) and includes within its boundaries most of the Village of Dobbs Ferry (the “Village”) and a small portion of the Village of Irvington. The District has a land area of approximately two square miles and an estimated population for 2019 of 9,862.

Rail service is available by the Metro North Railroad. Highways serving the District include the Saw Mill Parkway, Sprain Brook Parkway, State Thruway and State Route 9A. The area is also covered by an extensive network of County and Town roads. In addition, public bus transportation is available in the area. Major airline service is available at the County Airport as well as the three metropolitan New York airports: Kennedy, LaGuardia, and Newark, all of which can be reached within one hour by car.

District Organization

The District is an independent entity governed by an elected board of education comprised of seven 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 and the Real Property Tax Law.

Members of the Board of Education are chosen on a rotating basis by qualified voters at the annual election of the District. The term of office for each board member is 3 years and the number of terms that may be served is unrestricted. A president is selected by the board from its members and also serves as the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval at a referendum held on the third Tuesday each May), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

The Board of Education appoints the Superintendent of Schools who serves at the pleasure of the Board. Such Superintendent is the chief executive officer of the District and the education system. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board of Education. Also, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Assistant Superintendent for Finance, Facilities, and Operations and the District Treasurer.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the District; however, certain of the financial functions of the District are the responsibility of the Superintendent of Schools and the Assistant Superintendent for Finance, Facilities, and Operations.

Utilities

The residents of the District receive electricity and natural gas from the Consolidated Edison and NY Power Authority. Water is provided by municipal water departments in the Town.

Transportation

The District is served by a transportation network consisting of all major forms of transportation. Several primary State and U.S. highways including The Taconic State Parkway and the Saw Mill River Parkway run through or alongside the District. The Metropolitan Transportation Authority provides passenger rail service. Air transportation is provided by the Westchester County Airport, as well as the three major New York metropolitan airports (Kennedy, LaGuardia and Newark), and the Stewart International Airport in Newburgh.

Source: District officials.

Population

The current estimated population of the District is 9,862. (Source: 2019 U.S. Census Bureau estimate.)

Population Trends

	<u>2010</u>	<u>2019</u>	<u>% Change</u>
Dobbs Ferry Village	10,622	11,027	3.81%
Greenburgh Town	86,764	90,989	4.87%
Westchester County	923,459	967,506	4.77%
New York State	18,976,457	19,453,561	2.51%

Source: US Census Bureau and American Community Survey 5-year Estimates.

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 include the District, are the Towns and the County below. The figures set below with respect to said Towns and County are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County are necessarily representative of the District, or vice versa.

	<u>2000</u>	<u>Per Capita Income</u>		<u>2000</u>	<u>Median Family Income</u>	
		<u>2006-2010</u>	<u>2015-2019</u>		<u>2006-2010</u>	<u>2015-2019</u>
Village of:						
Dobbs Ferry	\$ 35,090	\$ 47,732	\$ 73,065	\$ 93,127	\$132,360	\$174,038
Towns of:						
Greenburgh	43,778	54,963	69,640	99,198	128,902	164,494
County of:						
Westchester	36,726	47,814	57,049	79,881	100,863	124,670
State of:						
New York	23,389	30,948	29,326	51,691	67,405	84,385

Note: 2016-2020 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2000 U.S. Census Bureau, and 2006-2010 and 2015-2019 5-Year American Community Survey estimates.

Civilian Labor Force

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Greenburgh Town	49,000	48,900	48,900
Westchester County	484,100	465,500	484,400
New York State	9,704,700	9,311,400	9,514,400

Source: New York State Department of Economic Development.

Larger Employers

The following is the list of the larger employers located within or in close proximity to the District.

<u>Name</u>	<u>Type</u>
Westchester Medical Center	Hospital and Healthcare Services
IBM	Computer Hardware and Software
White Plains Hospital	Hospital and Healthcare Services
Regeneron Pharmaceuticals Inc.	Pharmaceuticals
St. John's Riverside Hospital	Hospital and Healthcare Services
PepsiCo Inc.	Soft Drink Manufacturing
St. Joseph's Medical Center Hospital	Hospital and Healthcare Services
FDR VA Hospital	Hospital and Healthcare Services
Northern Westchester Hospital	Hospital and Healthcare Services
Montefiore New Rochelle	Hospital and Healthcare Services

Source: Official Statement of the County dated April 20, 2021.

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 School District) is the Town and County. The information set forth below with respect to the Town and County is included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the Town or County is necessarily representative of the District, or vice versa.

	<u>Annual Averages</u>						
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Greenburgh Town	4.5%	4.1%	3.9%	4.0%	3.4%	3.2%	7.1%
Westchester County	5.2%	4.6%	4.4%	4.5%	3.9%	3.6%	8.4%
New York State	6.3%	5.2%	4.9%	4.6%	4.1%	3.8%	10.0%

	<u>2021 Monthly Figures</u>				
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Greenburgh Town	5.5%	5.9%	N/A	N/A	N/A
Westchester County	6.6%	6.9%	N/A	N/A	N/A
New York State	9.4%	9.7%	8.5%	N/A	N/A

Source: Department of Labor, State of New York. Figures not seasonally adjusted. Figures in this section are historical and do not speak as to current or projected employment rates. Unemployment has drastically increased since mid-March 2020 due to the COVID-19 global pandemic. See “COVID-19” herein.

Form of School Government

The Board of Education which is the policy-making body of the School District consists of seven members with three-year terms. Each Board member must be a qualified voter of the School District and no Board member may hold certain other School District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

The administrative officers of the School District, whose duty it is to implement the policies of the Board of Education and supervise the operation of the school system include: The Superintendent of Schools, the Assistant Superintendent for Finance, Facilities, and Operations, the School District Treasurer, and the School District Clerk.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the School District for the ensuing fiscal year. This tentative budget must be completed at least fourteen days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the School District, fourteen days preceding such meeting and at each such meeting. The Board must also give notice that a copy of the tentative budget may be obtained at each schoolhouse within the School District.

The Board of Education causes a notice to be published stating the time, date, place and purpose of the annual or district meeting. At least forty-five days must elapse between the first publication of such notice and the date specified for such meeting. The meeting must be held at the time and place specified but it may be adjourned to permit voting on the following day. If the qualified voters at the annual or School District meeting approve the tentative budget, the Board of Education, by resolution adopts the tentative budget as the budget of the School District for the ensuing year.

If by majority vote the budget is rejected, the Board of Education may make any change, alteration or revision to the budget and may hold a second public hearing and referendum. If no budget is approved, the Board of Education, must, pursuant to law, adopt by resolution an austerity budget for the ensuing fiscal year. The Board of Education may then levy a tax for ordinary contingent expenses of the School District, which includes debt service.

Pursuant to Chapter 97 of the Laws of 2011 (“Chapter 97”), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap to be exceeded also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Vote Results

The budget for the 2019-20 fiscal year was approved by voters on May 21, 2019 by a vote of 300 to 88. The District’s adopted budget for 2019-20 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.80%, which was below the District’s Tax Cap of 4.04%.

The budget for the 2020-21 fiscal year was adopted by voters on June 16, 2020 by a vote of 1,404 to 476. The District’s adopted budget for 2020-21 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.87%, which was equal to the District Tax Cap of 3.87%.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investment by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District monies held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, the District has adopted its own policy. Under this policy, the District is authorized to use time-deposit accounts, certificates of deposits, short-term government securities, repurchase agreements, or other investment instruments permitted by law, subject to the investment regulations approved by the Board of Education.

State Aid

The School District receives substantial financial assistance from the State. In its adopted budget for the 2020-2021 fiscal year approximately 11.22% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Due to the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken and continues to take steps designed to mitigate the spread and impacts of COVID-19. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have and are expected to continue 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. It was anticipated that the State would be required to take certain gap-closing actions, including, 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. However, based on published reports of the State 2021-22 Enacted Budget, it appears that the State will not delay or reduce payments of State aid to school districts, including the School District.

The State’s 2020-2021 Enacted Budget authorizes the State’s Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State’s 2020-2021 budget is balanced during three “measurement periods”: April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if “a General Fund imbalance has occurred during any Measurement Period,” the State’s Budget Director will be empowered to “adjust or reduce any general fund and/or state special revenue fund appropriation ... and

related cash disbursement by any amount needed to maintain a balanced budget,” and “such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed.” The legislation further provides that prior to making any adjustments or reductions, the State’s Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director’s reductions take effect automatically. (See “*State Aid History*” herein).

On October 30, 2020, the New York State Division of the Budget released the fiscal year ending 2021 First Quarterly State Budget Financial Plan Update, which projects a \$14.9 billion General Fund revenue decline and a 15.3% decline in tax receipts from prior budget forecasts. The State further projects a total revenue loss of \$63 billion through the State’s fiscal year ending 2024 as a direct consequence of the COVID-19 pandemic. The State has announced that in the absence of Federal funding to offset this revenue loss, the State has 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. According to the State, all or a portion of such temporary reductions in aid payments may be converted to permanent reductions, depending on the size and timing of any new Federal aid. Such reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State. (See also “Impacts of COVID-19,” “Risk Factors,” and “Recent Events Affecting New York School Districts” herein). 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 the adoption of the State budget. No assurance can be given that the State will not experience delays 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.

Source: NYS Dept. Of Education, State Aid Website. This source pertains only to the DOB updates detailed in the paragraphs above. Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

The availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays 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.

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 School 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.

Building Aid

A portion of the District’s State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2020-2021 preliminary building aid ratios, the District State Building aid of approximately 45.2% for debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

Potential Reductions in Federal Aid Received by the State

The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise such as the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new 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

Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years. However, as discussed below the COVID-19 outbreak has affected and is expected to continue to affect State aid to school district.

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

School district fiscal year (2015-2016): The 2015-2016 State budget included a partial reduction in the Gap Elimination Adjustment with \$603 million in GEA cuts being restored, and provided an additional \$428 million in foundation aid and \$268 million in expense base aids which reimbursed school districts for prior year expenses in school construction, transportation, BOCES and special education services.

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.

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then \$10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level was divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA was a negative number, money that was deducted from the aid originally due to the District. The District was forced to deliver programs in new and creative ways, while reducing where necessary based on student-driven needs and increasing taxes accordingly. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

School district fiscal year (2017-2018): The State 2017-18 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 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School district fiscal year (2018-2019): The State's 2018-2019 Enacted Budget provided for school aid of approximately \$26.7 billion, an increase of approximately \$1.0 billion in school aid spending from the 2017-2018 school year. The majority of the increases have been targeted to high need school districts. 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 5.2% and building aid increased by 4.7%. The State 2018-2019 Enacted Budget continued to link school aid increases for 2018-2019 and 2019-2020 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 (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 the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these federal funds, State aid in the school district fiscal year 2020-2021 was expected to total \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflected current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "*State Aid*" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget.

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. Under the budget, local governments are to receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and will receive a full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

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-in of foundation aid as originally projected has not occurred as of this date.

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.

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 School 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 reduction or elimination therefrom.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues ⁽¹⁾</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2015-16	\$ 41,923,837	\$ 4,269,441	10.18%
2016-17	43,450,926	4,914,971	11.31
2017-18	43,729,902	4,471,261	10.22
2018-19	44,316,659	4,606,182	10.39
2019-20	46,604,021	5,449,562	11.69
2020-21 (Budgeted)	47,065,725	5,279,394	11.22

⁽¹⁾ General fund only.

Source: District officials. Audited Financial Statements for the 2015-16 through 2019-20 fiscal years, and adopted budget for the 2020-2021 fiscal year. This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Years Built</u>
Springhurst School	K-5	699	1960
Dobbs Ferry Middle School	6-8	360	1974
Dobbs Ferry High School	9-12	435	1934

Note: A recent demographic study estimates that the District may experience an increase in enrollment of approximately 140 students by the 2025-2026 fiscal year. If such an increase were to occur, the District anticipates an inability to accommodate said enrollment increase with its current facilities, particularly at the elementary school level.

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2015-16	1,472	2020-21	1,494
2016-17	1,492	2021-22	1,547
2017-18	1,474	2022-23	1,578
2018-19	1,493	2023-24	1,584
2019-20	1,516	2024-25	1,628

Source: District officials.

Employees

The School District employs approximately 282 employees, of which 267 are represented by the following units of units of organized labor.

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Expiration Date</u>
180	Dobbs Ferry United Teachers	June 30, 2020 ⁽¹⁾
6	Dobbs Ferry Administrators' Association	June 30, 2023
71	Dobbs Ferry Office Personnel Association	June 30, 2023
10	CSEA - Custodial	June 30, 2023

⁽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 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 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 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, the Governor signed into law the new Tier VI pension program, 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% and contributions at such rates continue so long as such employee continues to accumulate pension credits, 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 2020-21 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2015-2016	\$ 443,076	\$ 2,588,719
2016-2017	409,043	2,376,903
2017-2018	382,366	2,055,785
2018-2019	377,014	2,345,938
2019-2020	379,705	2,044,384
2020-2021 (Budgeted)	370,000	2,240,000

Source: District officials.

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.

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 is not currently offering any early retirement incentives, and does not plan to in the foreseeable future.

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.

A chart of average ERS and TRS rates as a percent of payroll (2017 to 2021) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2016-17	15.5%	11.72%
2017-18	15.3	9.80
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53

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 the 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 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 State Budget included a provision that provides local governments and school districts, 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. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will 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 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.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve 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 has established such a fund.

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 Health 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 school districts 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, school 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.

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 below fiscal years, by source.

Balance beginning at June 30:	2018	2019
	\$ 70,027,079	\$ 68,227,648
<u>Changes for the year:</u>		
Service cost	3,551,980	3,841,167
Interest on total OPEB liability	2,185,249	2,496,880
Changes in Benefit Terms	-	-
Differences between expected and actual experience	-	4,556,914
Changes in Assumptions or other inputs	(6,050,798)	(1,429,910)
Benefit payments	(1,485,862)	(1,471,442)
Net Changes	\$ (1,799,431)	\$ 7,993,609
Balance ending at June 30:	2019	2020
	\$ 68,227,648	\$ 76,221,257

Note: The above table is not audited. For additional information see “APPENDIX – D” attached hereto.

The aforementioned liability and ARC were recognized and disclosed in accordance with GASB 45 standards in the District’s past audited financial statements.

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.

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.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state’s OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller’s proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in the last two legislative sessions. It is not possible to predict whether the Comptroller’s proposed legislation will be reintroduced or enacted if introduced.

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.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2020 and is attached hereto as “APPENDIX – D”. Certain financial information of the District can be found attached as appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from 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 ending June 30, 2003, the District issues 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.

PKF O’Connor Davies, LLP, the independent auditor for the District, 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. PKF O’Connor Davies, LLP also has not performed any procedures relating to this Official Statement.

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the 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.

There are no recent State Comptroller’s audits of the District, nor are there any that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not included herein by reference.

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 classification of the District for the three most recent available fiscal years are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2018	No Designation	13.3
2019	No Designation	21.7
2020	No Designation	6.7

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not included herein by reference.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town of Greenburgh	\$ 1,613,571,870	\$ 1,692,026,245	\$ 1,758,582,993	\$ 1,793,835,643	\$ 1,804,502,464
State Equalization Rates	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	<u>\$ 1,613,571,870</u>	<u>\$ 1,692,026,245</u>	<u>\$ 1,758,582,993</u>	<u>\$ 1,793,835,643</u>	<u>\$ 1,804,502,464</u>

Tax Rates Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town of Greenburgh	\$ 22.86	\$ 22.02	\$ 21.79	\$ 22.19	\$ 22.69

Tax Collection Procedure

District taxes are collected by the Town Receiver of Taxes. The first half is due and payable without penalty during the month of September, subject to a 2% penalty if paid during October, 5% if paid during November, 7% if paid during December or January, 10% if paid during February or March and 12% thereafter to the date of sale of tax liens for unpaid taxes. The second half is due and payable without penalty during the month of January, subject to a 10% penalty if paid during February or March and 12% thereafter to the date of sale of tax liens. In the County, taxes are collected by towns which are obligated to pay the full amount of the tax levy to the school districts by April 1.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Tax Levy	\$ 36,893,934	\$ 37,276,560	\$ 38,313,110	\$ 39,804,331	\$ 40,943,897
Amount Uncollected ⁽¹⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ See "Tax Collection Procedures".

Real Property Taxes & Tax Items

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Property Tax Levy</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2015-16	\$ 41,923,837	\$36,083,113	86.07%
2016-17	43,450,926	36,004,905	82.86
2017-18	43,729,902	36,970,419	84.54
2018-19	44,316,659	37,315,581	84.20
2019-20	46,604,021	38,379,202	82.35
2020-21 (Budgeted)	47,065,725	39,859,331	84.69

⁽¹⁾ General fund only.

District officials. Audited Financial Statements for the 2015-16 through 2019-20 fiscal years, and adopted budget for the 2020-2021 fiscal year. This table is not audited.

Larger Taxpayers 2020 Tax Roll for 2020-21

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Consolidated Edison Co.	Utility	\$ 33,633,300
200 Beacon Hill Drive	Real Estate	32,236,200
AFP Twenty Nine Corp.	Real Estate	19,915,000
Kosov Properties Company ⁽¹⁾	Real Estate	17,931,100
300 Broadway LLC	Real Estate	11,006,200
Suez Water Westchester ⁽¹⁾	Utility	10,967,600
Dobbs, Ferry Apt. Court Inc. ⁽¹⁾	Apartments	8,767,300
Beacon Hill Apartments ⁽¹⁾	Apartments	8,506,700
110-150 Draper Owners Corp.	Real Estate	7,985,100
Sanjust LLC	Real Estate	6,905,700

- ⁽¹⁾ Has a tax certiorari outstanding. Apart from as noted above, the District currently does not have any other pending or outstanding tax certioraris that are known or believed could have a material impact on the finances of the District.

The larger taxpayers listed above have a total taxable assessed valuation of \$157,854,200, which represents 8.75% of the tax base of the School District for the 2020-21 fiscal year.

Source: District Tax Rolls.

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.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities (“STAR Adjusted Gross Income”) of \$90,550 or less for 2021, increased annually according to a Cost-of-Living adjustment, are eligible for an “enhanced” exemption. Other homeowners with household STAR Adjusted Gross Income not in excess of \$500,000 are eligible for a “basic” 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 2020-21 Executive Budget would withhold STAR benefits to taxpayers who are delinquent in the payment of their school taxes and would lower the income limit for the exemption to \$200,000, compared with a \$500,000 limit for the credit. The 2020-21 Executive Budget is subject to approval by the New York State Legislature and then signed into law by the Governor. There is no assurance that the 2020-21 Executive Budget will be adopted and no way to predict what changes the Governor and the Legislature may agree to.

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

<u>Municipality</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Greenburgh	\$185,840	\$ 79,880	10/23/2019

\$2,077,334 of the District’s \$39,804,331 school tax levy for the 2020-2021 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2021.

Approximately \$1,842,475 of the District’s \$40,943,897 school tax levy for the 2021-2022 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January 2022.

Additional Tax Information

Real property located in the School District is assessed by the Towns.

Senior citizens' exemptions are offered to those who qualify.

The estimated total annual property tax bill of a \$810,200 market value residential property located in the District is approximately \$22,296.31 including State, County, Town, School District and Fire District Taxes.

TAX LEVY LIMIT LAW

Chapter 97 of the Laws of 2011, as amended (herein referred to as the “Tax Levy Limit Law” or “Law”) modified previous law by imposing a limit on the amount of real property taxes that a school district may levy.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”). Under the Tax Levy Limit Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district’s budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, such as the Notes, and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See “*THE NOTES - Nature of the Obligation*” herein).

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:

Purpose and Pledge. 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.

Except on rare occasions the District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds	\$ 6,575,000	\$ 4,725,000	\$ 17,099,145	\$ 15,499,145	\$ 13,635,000
Bond Anticipation Notes	<u>0</u>	<u>10,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	\$ 6,575,000	\$ 15,225,000	\$ 17,099,145	\$ 15,499,145	\$ 13,635,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of May 6, 2021.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2021-2032	\$ 11,745,000
<u>Bond Anticipation Notes</u>	---	<u>0</u>
	Total Debt Outstanding	\$ 11,745,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 6, 2021:

Full Valuation of Taxable Real Property	\$1,804,502,464
Debt Limit – 10% thereof	180,450,246

Inclusions:

Bonds	\$ 11,745,000	
Bond Anticipation Notes	0	
Principal of this Issue	<u>13,500,000</u>	
Total Inclusions		\$ 25,245,000

Exclusions:

Building Aid ⁽¹⁾	\$ <u>0</u>	
Total Exclusions		\$ <u>0</u>

Total Net Indebtedness	\$ <u>25,245,000</u>
Net Debt-Contracting Margin	\$ <u>155,205,246</u>
The percent of debt contracting power exhausted is	13.99%

- ⁽¹⁾ Based on 2020-2021 preliminary building aid estimates, the District anticipates State Building aid of 45.2% for debt service on State Education Department 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 the outstanding bonds.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the statutory debt limit of the School District.

Bonded Debt Service

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

Cash Flow Borrowings

The District has not issued revenue anticipation notes and/or tax anticipation notes in the recent past, and does anticipate issuing such notes in the foreseeable future.

Other Obligations

The District entered into a 5-year lease on June 1, 2020 with the Southern Westchester BOCES for the purpose of computer server upgrades. The lease is in the amount of \$268,000, with an interest rate of 4.500%. Payments are due monthly.

The District entered into an Energy Performance Contract lease for purposes of energy efficiency upgrades. Payments are due annually on November 1st. As of the date of this Official Statement, \$207,099 principal remains outstanding.

Capital Project Plans

On October 22, 2019, the District approved construction improvements to District buildings and/or sites at an estimated cost of \$19,977,378 and authorizing bonds in the amount of \$18,277,378, along with the use of an estimated \$1,700,000 capital reserve funds. The proceeds of the Notes will represent the first borrowing against this authorization.

There are no other significant capital projects authorized or contemplated at this time.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the close of the respective fiscal years of the below municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Westchester	12/31/2019	\$ 1,492,172,382	\$ 529,628,363	\$ 962,544,019	0.98%	\$ 9,432,931
Town of:						
Greenburgh	12/31/2019	94,320,000	10,041,000	84,279,000	8.58%	7,231,138
Village of:						
Dobbs Ferry	5/31/2020	15,230,000	-	15,230,000	100.00%	15,230,000
					Total:	<u>\$ 31,894,070</u>

⁽¹⁾ Bonds and bond anticipation notes are as of close of the respective fiscal years and are not adjusted to include subsequent bond or note sales, if any.

⁽²⁾ Water and sewer debt and 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 2019 and 2020.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 6, 2021:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 25,245,000	\$ 2,559.83	1.40%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	57,139,070	5,793.86	3.17

^(a) The 2019 estimated population of the District is 9,862. (See "THE SCHOOL DISTRICT - Population" herein.)

^(b) The District's full value of taxable real estate for the 2020-2021 fiscal year is \$1,804,502,464. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

^(c) See "Debt Statement Summary" herein for the calculation of Net Indebtedness.

^(d) The District's applicable share of Net Overlapping Indebtedness is estimated to be \$31,894,070. (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.

RISK FACTORS

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 is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The District's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the District fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys, the District is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the District will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the District requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also "THE SCHOOL DISTRICT - State Aid" herein.)

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 School 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. 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 Governor has taken steps designed to mitigate the spread and impacts of COVID-19. These steps have had a material impact on public gatherings and the operations of schools, some businesses and other entities. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to continue 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 and school districts 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 "State Aid" herein).

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.

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-E – FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS".

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.

As of December 2020, the District currently has pending litigation in connection with the Child Victims Act. The outcome is unknown at this time.

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.

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 municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal 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 the Municipal Advisor are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

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.

RATING

The Notes are not rated. Subject to the approval of the District, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, such as a rating action that may result in the filing of a material event notification to EMMA and/or the provision of a supplement to the final Official Statement.

Moody's Investors Service, Inc. has assigned its underlying rating of "Aa2" to the District's outstanding bonds. A rating reflects only the view of the rating agency assigning such rating, and any explanation of the significance of such rating may be obtained from Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653.

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 outstanding bonds.

ADDITIONAL INFORMATION

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.

This Official Statement is in a form "deemed final" by the District for the purpose of Securities and Exchange Commission Rule 15c2-12. (See UNDERTAKING TO PROVIDE NOTICES OF EVENTS" herein.)

The District will act as paying agent for the Notes. The District's contact information is as follows: Ron Clamser, Assistant Superintendent for Finance, Facilities and Operations, Dobbs Ferry Union Free School District, 505 Broadway, Dobbs Ferry, New York 10522, Phone: (914) 693-1500, Fax: (914) 693-1787, Email: clamser@dfsd.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at www.fiscaladvisors.com.

DOBBS FERRY UNION FREE SCHOOL DISTRICT

Dated: May 6, 2021

LOUIS SCHWARTZ
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 8,091,806	\$ 11,059,496	\$ 9,488,494	\$ 6,000,103	\$ 5,238,303
Investments	2,011,504	1,036,439	40,541	4,344,827	4,428,405
Accounts Receivable	30,227	13,925	58,265	86,175	40,257
State and Federal Receivable	597,484	743,141	473,178	560,357	812,715
Due from Other Governments	1,949,887	243,923	262,696	230,101	418,963
Due from Other Funds	537,244	536,080	2,921,366	666,973	1,062,231
Other Receivables	-	-	-	-	-
TOTAL ASSETS	<u><u>\$ 13,218,152</u></u>	<u><u>\$ 13,633,004</u></u>	<u><u>\$ 13,244,540</u></u>	<u><u>\$ 11,888,536</u></u>	<u><u>\$ 12,000,874</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 752,514	\$ 469,013	\$ 462,118	\$ 628,333	\$ 403,612
Accrued Liabilities	89,115	117,668	122,131	181,060	26,017
Due to Other Funds	108,547	75,555	195,306	220,614	1,837,207
Due to Other Governments	74,562	40,020	40,020	-	35,651
Due to Retirement Systems	2,880,109	2,694,150	2,336,058	2,604,484	2,320,208
Unearned Revenues	509,699	9,651	9,651	-	-
TOTAL LIABILITIES	<u><u>\$ 4,414,546</u></u>	<u><u>\$ 3,406,057</u></u>	<u><u>\$ 3,165,284</u></u>	<u><u>\$ 3,634,491</u></u>	<u><u>\$ 4,622,695</u></u>
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:	6,979,187	7,898,947	7,401,976	7,179,836	5,321,794
Assigned	130,586	604,958	905,364	94,215	46,635
Unassigned	1,693,833	1,723,045	1,771,916	979,994	2,009,750
TOTAL FUND EQUITY	<u><u>8,803,606</u></u>	<u><u>10,226,950</u></u>	<u><u>10,079,256</u></u>	<u><u>8,254,045</u></u>	<u><u>7,378,179</u></u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 13,218,152</u></u>	<u><u>\$ 13,633,007</u></u>	<u><u>\$ 13,244,540</u></u>	<u><u>\$ 11,888,536</u></u>	<u><u>\$ 12,000,874</u></u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 31,756,142	\$ 31,895,814	\$ 33,371,467	\$ 34,247,034	\$ 35,967,062
Real Property Tax Items	4,326,971	4,109,091	3,598,952	3,068,547	2,412,140
Non-Property Tax Items	499,523	506,426	535,911	559,532	734,550
Charges for Services	775,935	1,848,435	1,377,300	1,329,821	1,313,748
Use of Money & Property	68,550	124,327	172,399	311,954	183,635
Sale of Property and					
Compensation for Loss	47,438	2,477	10,973	6,082	-
Miscellaneous	166,030	9,923	122,102	95,600	457,841
Revenues from State Sources	4,269,441	4,914,971	4,471,261	4,606,182	5,449,562
Revenues from Federal Sources	13,807	39,462	69,537	91,907	85,483
Total Revenues	<u>\$ 41,923,837</u>	<u>\$ 43,450,926</u>	<u>\$ 43,729,902</u>	<u>\$ 44,316,659</u>	<u>\$ 46,604,021</u>
Other Sources:					
Interfund Transfers	-	84,000	-	-	-
Total Revenues and Other Sources	<u>\$ 41,923,837</u>	<u>\$ 43,534,926</u>	<u>\$ 43,729,902</u>	<u>\$ 44,316,659</u>	<u>\$ 46,604,021</u>
<u>EXPENDITURES</u>					
General Support	\$ 4,733,435	\$ 4,750,054	\$ 5,652,692	\$ 5,546,975	\$ 4,851,433
Instruction	24,050,337	24,228,652	25,116,652	26,897,497	27,267,273
Pupil Transportation	1,122,805	1,123,433	1,177,087	1,308,626	1,074,196
Community Services	67,454	104,289	71,713	-	45,703
Employee Benefits	9,580,814	9,654,541	9,453,600	9,992,427	10,070,199
Debt Service	2,224,268	2,222,618	2,380,226	2,347,296	2,417,729
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>\$ 41,779,113</u>	<u>\$ 42,083,587</u>	<u>\$ 43,851,970</u>	<u>\$ 46,092,821</u>	<u>\$ 45,726,533</u>
Other Uses:					
Interfund Transfers	26,530	27,995	25,626	49,049	1,753,354
Total Expenditures and Other Uses	<u>\$ 41,805,643</u>	<u>\$ 42,111,582</u>	<u>\$ 43,877,596</u>	<u>\$ 46,141,870</u>	<u>\$ 47,479,887</u>
Excess (Deficit) Revenues Over Expenditures	<u>118,194</u>	<u>1,423,344</u>	<u>(147,694)</u>	<u>(1,825,211)</u>	<u>(875,866)</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	8,685,412	8,803,606	10,226,950	10,079,256	8,254,045
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 8,803,606</u>	<u>\$ 10,226,950</u>	<u>\$ 10,079,256</u>	<u>\$ 8,254,045</u>	<u>\$ 7,378,179</u>

Source: Audited financial reports 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:	2020			2021
	Adopted <u>Budget</u>	Modified <u>Budget</u>	Audited <u>Actual</u>	Adopted <u>Budget</u>
REVENUES				
Real Property Taxes	\$ 35,967,062	\$ 35,967,062	\$ 35,967,062	\$ 37,726,997
Real Property Tax Items	2,408,242	2,408,242	2,412,140	2,132,334
Non-Property Tax Items	550,000	550,000	734,550	480,000
Charges for Services	1,073,000	1,073,000	1,313,748	1,275,000
Use of Money & Property	177,000	177,000	183,635	62,000
Sale of Property and				
Compensation for Loss	-	-	-	-
Miscellaneous	61,000	61,000	457,841	60,000
Revenues from State Sources	6,216,584	6,216,584	5,449,562	5,279,394
Revenues from Federal Sources	30,000	30,000	85,483	50,000
Total Revenues	<u>\$ 46,482,888</u>	<u>\$ 46,482,888</u>	<u>\$ 46,604,021</u>	<u>\$ 47,065,725</u>
Other Sources:				
Interfund Transfers	-	-	-	-
Total Revenues and Other Sources	<u>\$ 46,482,888</u>	<u>\$ 46,482,888</u>	<u>\$ 46,604,021</u>	<u>\$ 47,065,725</u>
EXPENDITURES				
General Support	\$ 5,028,766	\$ 5,229,282	\$ 4,851,433	\$ 4,958,647
Instruction	27,538,848	27,487,443	27,267,273	27,815,676
Pupil Transportation	1,343,850	1,345,590	1,074,196	1,437,954
Community Services	-	45,703	45,703	-
Employee Benefits	10,112,907	10,156,044	10,070,199	10,321,953
Debt Service	2,417,732	2,417,729	2,417,729	2,396,495
Total Expenditures	<u>\$ 46,442,103</u>	<u>\$ 46,681,791</u>	<u>\$ 45,726,533</u>	<u>\$ 46,930,725</u>
Other Uses:				
Interfund Transfers	135,000	1,853,354	1,753,354	135,000
Total Expenditures and Other Uses	<u>\$ 46,577,103</u>	<u>\$ 48,535,145</u>	<u>\$ 47,479,887</u>	<u>\$ 47,065,725</u>
Excess (Deficit) Revenues Over				
Expenditures	<u>(94,215)</u>	<u>(2,052,257)</u>	<u>(875,866)</u>	<u>-</u>
FUND BALANCE				
Fund Balance - Beginning of Year	94,215	2,052,257	8,254,045	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,378,179</u>	<u>\$ -</u>

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

APPENDIX - B
Dobbs Ferry UFSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2021	\$ 925,000	\$ 279,650.00	\$ 1,204,650.00
2022	945,000	260,950.00	1,205,950.00
2023	960,000	241,900.00	1,201,900.00
2024	975,000	222,550.00	1,197,550.00
2025	995,000	202,850.00	1,197,850.00
2026	1,015,000	182,750.00	1,197,750.00
2027	1,030,000	162,300.00	1,192,300.00
2028	1,050,000	140,843.75	1,190,843.75
2029	1,075,000	117,593.75	1,192,593.75
2030	1,100,000	91,750.00	1,191,750.00
2031	1,130,000	61,050.00	1,191,050.00
2032	1,160,000	26,700.00	1,186,700.00
2033	310,000	4,650.00	314,650.00
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
TOTAL	\$ 12,670,000	\$ 1,995,537.50	\$14,665,537.50

Note: The totals above do not include energy performance contracts or lease obligations.

APPENDIX - B1
Dobbs Ferry UFSD

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2017 Capital Improvements		
	Principal	Interest	Total
2021	\$ 925,000	\$ 279,650.00	\$ 1,204,650.00
2022	945,000	260,950.00	1,205,950.00
2023	960,000	241,900.00	1,201,900.00
2024	975,000	222,550.00	1,197,550.00
2025	995,000	202,850.00	1,197,850.00
2026	1,015,000	182,750.00	1,197,750.00
2027	1,030,000	162,300.00	1,192,300.00
2028	1,050,000	140,843.75	1,190,843.75
2029	1,075,000	117,593.75	1,192,593.75
2030	1,100,000	91,750.00	1,191,750.00
2031	1,130,000	61,050.00	1,191,050.00
2032	1,160,000	26,700.00	1,186,700.00
2033	310,000	4,650.00	314,650.00
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
TOTAL	\$ 12,670,000	\$ 1,995,537.50	\$ 14,665,537.50

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean 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 **Dobbs Ferry Union Free School District, Westchester County, 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 Board of Education as of June 4, 2021.

“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 \$13,500,000 Bond Anticipation Notes for School Construction - 2021, dated June 4, 2021, maturing on June 3, 2022, 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;

Note to clause (12): 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 District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note 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 District, 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. Remedies. 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. Parties in Interest. 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. Amendments. 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 **June 4, 2021**.

DOBBS FERRY UNION FREE SCHOOL DISTRICT

By _____
President of the Board of Education and Chief Fiscal Officer

DOBBS FERRY UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2020

The Audited Financial Statements, including opinion, 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.

Dobbs Ferry Union Free School District, New York

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Independent Auditors' Report

The Board of Education of the Dobbs Ferry 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 aggregate remaining fund information of the Dobbs Ferry Union Free School District, New York ("School District") as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 4B in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 ("Coronavirus"). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended June 30, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* for the year ended June 30, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2020 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the School District as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated October 3, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2019 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 30, 2020

Dobbs Ferry Union Free School District, New York

Management's Discussion and Analysis (MD&A) June 30, 2020

This discussion and analysis of the Dobbs Ferry Union Free School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2020. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the School District's financial performance.

Financial Highlights for FY 2019-2020

Key financial highlights for fiscal year 2019-2020 are as follows:

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,009,750. This amount is equal to 4.27% of the subsequent year's budget.
- The School District's governmental fund financial statements report a combined ending fund balance of \$8,674,525, an increase in fund balance of \$175,669. This is due to the requirement to record expenditures in the capital projects fund in the year incurred and revenues when permanent financing is in place. The General Fund fund balance totals \$7,378,179. Of this amount, the unassigned fund balance of the General Fund is \$2,009,750. This amount is available for spending at the discretion of the School District.
- On the district-wide financial statements, the liabilities and deferred inflows of the School District exceeded assets and deferred outflows by \$32,242,971. Of this amount, the unrestricted portion is (\$67,471,432). The School District's total net position decreased by \$6,752,155 for the year ended June 30, 2020. This is due to the implementation of GASB Statement No. 75 *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*. More detailed information is presented in Note 3D to the financial statements.
- The following were noteworthy factors in the revenues and expenditures being different than budgeted:
 - The receipt of unanticipated tuitions created a budget surplus of \$240,748
 - The increase in sales tax income resulting from a higher sales tax rates implemented in Westchester County created a budget surplus of \$184,550
 - A decrease in State Aid receipts resulted in a budget deficit of \$767,022
 - School building closures in March due to the COVID-19 pandemic contributed to central services costs and pupil transportation costs being lower than budgeted. Savings were realized in contract security, contract custodial and maintenance, and contract transportation.
 - Payment of tax certiorari refunds from the reserves are not included in the budget.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) District-wide financial statements; (2) Fund financial statements; and (3) Notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

District-wide Financial Statements

- The district-wide financial statements are designed to provide readers with a broad overview of the School District's finances, in a manner similar to private-sector business.
- The statement of net position presents information on all of the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
- The statement of activities presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The governmental activities of the School District include instruction, pupil transportation, community services, cost of food sales, other, interest, and general support.

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

Fund Financial Statements

- A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

- The School District maintains five individual governmental funds: General Fund, Capital Projects Fund, Special Aid Fund, School Lunch Fund and Special Purpose Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Capital Projects, and Special Aid funds, since the School District has elected to report them as major funds. Combining information for the non-major funds can be found elsewhere in this report.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the respective budgets.
- The Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statements because the resources of these funds are not available to support the School District's programs.

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

Notes to the Financial Statements

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

Other Information

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

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the School District's financial position. In the case of Dobbs Ferry Union Free School District, New York, the liabilities and deferred inflows exceeded assets and deferred outflows by \$32,242,971 at the close of the current fiscal year.

Net Assets

	June 30,	
	2020	2019
Current Assets	\$ 15,374,157	\$ 14,795,876
Capital Assets	42,867,228	44,722,868
Total Assets	58,241,385	59,518,744
Deferred Outflows of Resources	16,531,279	12,951,898
Current Liabilities	3,264,152	3,969,599
Long-term Liabilities	92,932,525	85,346,473
Total Liabilities	96,196,677	89,316,072
Deferred Inflows of Resources	10,818,958	8,645,386
Net Assets:		
Net investment in capital assets	28,831,848	28,661,094
Restricted for:		
Capital Projects	1,116,395	27,605
Tax Certiorari	3,925,807	4,073,084
Retirement System Contributions	726,944	726,944
Unemployment Benefits	123,083	123,083
Future Capital Projects	52,493	1,752,493
Debt Service	406,679	406,679
Special Purposes	45,212	48,382
Unrestricted	(67,471,432)	(61,310,180)
Total Net Assets	\$ (32,242,971)	\$ (25,490,816)

By far, the largest component of the School District's net assets is its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The increase in the current and non-current liabilities is attributable to the increase in Other Post-Employment Benefits and the Net Pension Liability.

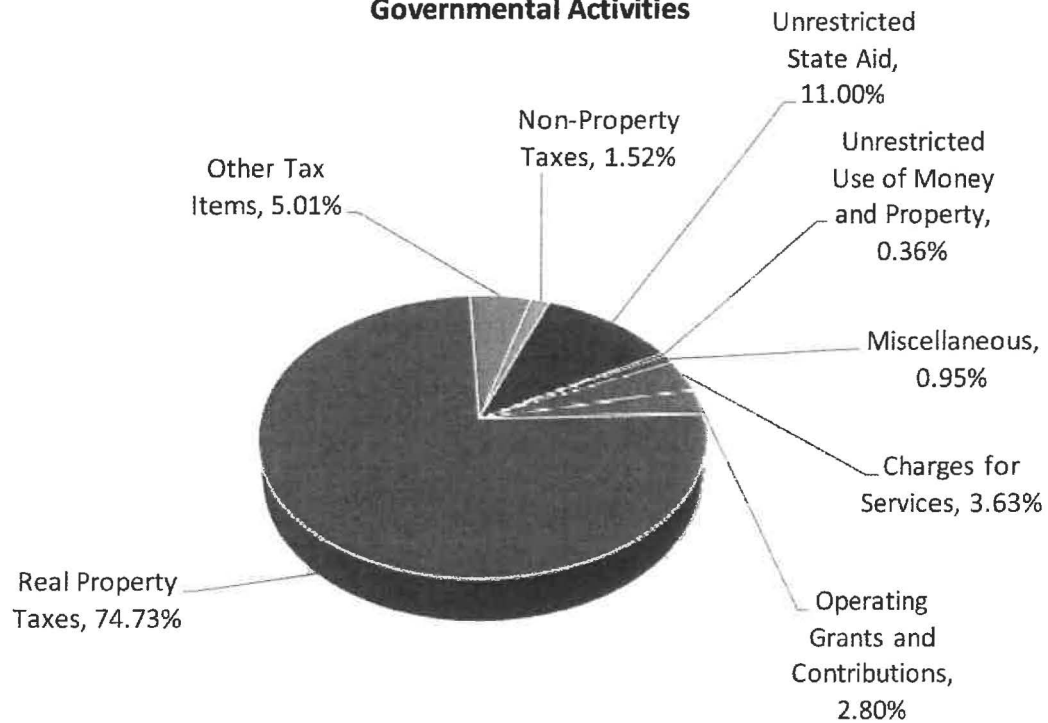
Changes in Net Assets

	June 30,	
	2020	2019
REVENUES		
Program Revenues:		
Charges for Services	\$ 1,744,845	\$ 2,007,627
Operating Grants and Contributions	1,346,932	1,469,768
Capital Grants and Contributions	-	157,082
Total Program Revenues	<u>3,091,777</u>	<u>3,634,477</u>
General Revenues:		
Real Property Taxes	35,967,062	34,247,034
Other Tax Items	2,412,140	3,068,547
Non-Property Taxes	734,550	559,532
Unrestricted Use of Money and Property	175,141	291,713
Sale of Property & Compensation for Loss	-	6,082
Unrestricted State Aid	5,294,587	4,186,278
Miscellaneous	457,045	87,299
Total General Revenues	<u>45,040,525</u>	<u>42,446,485</u>
Total Revenues	<u>48,132,302</u>	<u>46,080,962</u>
PROGRAM EXPENSES:		
General Support	7,598,371	6,849,118
Instruction	45,112,504	40,515,550
Pupil Transportation	1,113,922	1,369,201
Community Services	45,703	-
Cost of Food Sales	623,529	830,104
Other	3,200	2,300
Interest	387,228	573,631
Total Expenses	<u>54,884,457</u>	<u>50,139,904</u>
Change in Net Position	(6,752,155)	(4,058,942)
Net Position - Beginning	<u>(25,490,816)</u>	<u>(21,431,874)</u>
Net Position - Ending	<u>\$ (32,242,971)</u>	<u>\$ (25,490,816)</u>

Governmental activities decreased the School District's net assets by \$6,752,155. Primarily as a result of the reporting of GASB Statement No. 75 – OPEB. As indicated on the following graphs, the School District relies upon property taxes as its primary revenue source. The School District's instructional costs account for 82% of its expenses.

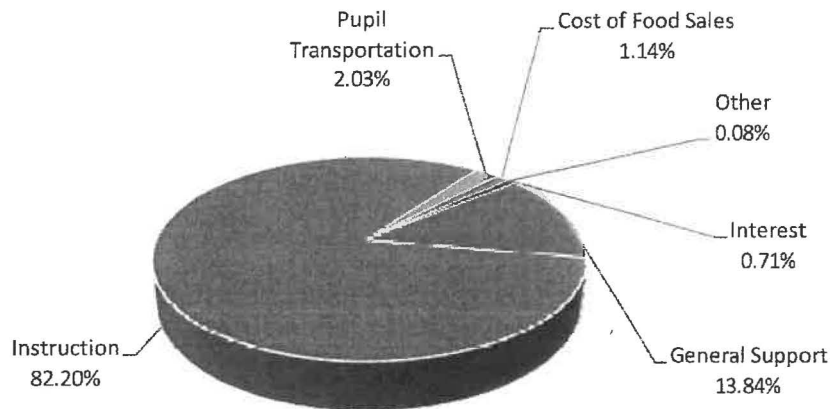
Sources of Revenue for Fiscal Year 2020

Governmental Activities



Expenses for Fiscal Year 2020

Governmental Activities



Fund Balance Reporting

It is noteworthy to report that the Governmental Accounting Standards Board ("GASB") issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in February 2009. The requirements of GASB Statement No. 54 were effective for financial statements for periods ending June 30, 2011; therefore they are continued in this report. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Note: According to the Office of the State Comptroller, school districts in New York will not have committed fund balance to report.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

Financial Analysis of the School District's Fund

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

Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined fund balance of \$8,674,525. The fund balance is made up as follows:

Non-Spendable	\$	10,134
Restricted		6,483,401
Assigned		171,240
Unassigned		<u>2,009,750</u>
	\$	<u><u>8,674,525</u></u>

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$7,378,179, of which \$2,009,750 or 4.27% of the ensuing year's budget was unassigned. As previously mentioned, New York State Law limits the amount of unassigned fund balance that can be retained to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

The final budget of the General Fund anticipated that the fund balance would remain the same during 2019-2020. However, the general fund balance actually decreased by \$875,866.

General Fund Budgetary Highlights

The original budget total expenditures, inclusive of transfers and other financing uses which included prior year encumbrances, was \$46,482,888. This differed from the final amended budget of \$46,735,145 by \$252,257. This difference is attributable to increases for the use of the Reserve for Tax Certiorari to pay tax refunds, and the use of the Reserve for Employee Benefit Accrued Liability to pay for accrued leave for retired employees.

Total Fund Balance Classifications

GASB Statement No. 54 Classification	Previous Classifications	Fund Balance
Nonspendable Fund Balance	Inventories	\$ 10,134
Restricted Fund Balance	Reserved for Tax Certiorari	3,925,807
	Reserved for Employee Benefit	
	Accrued Liability	86,788
	Reserved for Retirement Contributions	726,944
	Reserved for Debt Service	406,679
	Reserved for Trust (Special Purpose Fund)	45,212
	Reserved for Unemployment Benefits	123,083
	Reserved for Future Capital Projects	1,168,888
		<u>6,483,401</u>
Assigned Fund Balance	Reserved for Encumbrances - General	
	Government Support	7,685
	Reserved for Encumbrances - Instruction	38,950
	School Lunch Fund Unreserved Fund Balance	124,605
		<u>171,240</u>
Unassigned Fund Balance	Unassigned:	
	General Fund	2,009,750
Total Fund Balance	(as of June 30, 2020)	<u><u>\$ 8,674,525</u></u>

Capital Assets

At June 30, 2020, the School District had capital assets of \$42,867,228 net of accumulated depreciation invested in a broad range of capital assets, including land, improvements other than buildings, buildings and improvements and machinery and equipment.

Class	June 30,	
	2020	2019
Land	\$ 85,950	\$ 85,950
Construction-in-Progress	609,898	-
Buildings and Improvements	38,298,497	40,140,658
Land Improvements	3,276,551	3,449,761
Machinery and Equipment	596,332	1,046,499
Total Capital Assets, net of accumulated depreciation	<u><u>\$ 42,867,228</u></u>	<u><u>\$ 44,722,868</u></u>

The increase in Construction-in-Progress during the current fiscal year results from the activity related to the start of work for the 2019 Capital Projects.

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

Long-Term Debt

At June 30, 2020 the School District had \$92,932,525 in general obligation and other long-term debt outstanding, as follows:

	June 30,	
	2020	2019
Bonds Payable	\$ 13,635,000	\$ 15,499,145
Plus: Unamortized Premium on Bonds	15,249	76,260
Energy Performance Contract Payable	409,060	606,009
Compensated Absences	303,663	289,091
Net Pension Liability	2,348,296	648,320
Other Post Employment Benefit Obligations Payable	76,221,257	68,227,648
Total	<u>\$ 92,932,525</u>	<u>\$ 85,346,473</u>

\$2,121,960 out of this balance of \$92,932,525 is due within one year. More detailed information about the School District's long-term liabilities is presented in Note 3D to the financial statements.

Requests for Information

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

Dobbs Ferry Union Free School District
Attn: Ron Clamser, Jr.
Assistant Superintendent for Finance, Facilities & Operations
505 Broadway
Dobbs Ferry, NY 10522

Dobbs Ferry Union Free School District, New York**Statement of Net Position
June 30, 2020**

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 5,409,832
Investments	4,438,924
Receivables	
Accounts	100,628
State and Federal aid	1,541,220
Due from other governments	418,963
Inventories	10,134
	3,454,456
Capital assets	
Not being depreciated	695,848
Being depreciated, net	42,171,380
Total Assets	58,241,385
DEFERRED OUTFLOWS OF RESOURCES	16,531,279
LIABILITIES	
Accounts payable	716,753
Accrued liabilities	26,659
Due to other governments	35,839
Due to retirement systems	2,320,208
Unearned revenues	145,717
Accrued interest payable	18,976
Non-current liabilities	
Due within one year	2,121,960
Due in more than one year	90,810,565
Total Liabilities	96,196,677
DEFERRED INFLOWS OF RESOURCES	10,818,958
NET POSITION	
Net investment in capital assets	28,831,848
Restricted	
Capital projects	1,116,395
Tax certiorari	3,925,807
Unemployment benefits	123,083
ERS retirement contributions	676,944
TRS retirement contributions	50,000
Debt service	406,679
Future capital projects	52,493
Special purposes	45,212
Unrestricted	(67,471,432)
Total Net Position	\$ (32,242,971)

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

Dobbs Ferry Union Free School District, New YorkStatement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
General support	\$ 7,598,371	\$ 8,494	\$ 796	\$ (7,589,081)
Instruction	45,112,504	1,313,748	1,179,265	(42,619,491)
Pupil transportation	1,113,922	-	-	(1,113,922)
Community services	45,703	-	-	(45,703)
Cost of food sales	623,529	422,603	166,841	(34,085)
	3,200	-	30	(3,170)
Interest	387,228	-	-	(387,228)
Total Governmental Activities	\$ 54,884,457	\$ 1,744,845	\$ 1,346,932	(51,792,680)
General revenues				
Real property taxes				35,967,062
Other tax items				
School tax relief reimbursement				2,353,242
Bisected property taxes				58,898
Non-property taxes				
Non-property tax distribution from County				734,550
Unrestricted use of money and property				175,141
Unrestricted State aid				5,294,587
Miscellaneous				457,045
Total General Revenues				45,040,525
Change in Net Position				(6,752,155)
Net Position - Beginning				(25,490,816)
Net Position - Ending				<u>\$ (32,242,971)</u>

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

Dobbs Ferry Union Free School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2020

	General	Capital Projects	Special Aid
ASSETS			
Cash and equivalents	\$ 5,238,303	\$ 28,414	\$ 97,778
Investments	4,428,405	10,519	-
Receivables			
Accounts	40,257	-	52,788
State and Federal aid	812,715	-	693,820
Due from other governments	418,963	-	-
Due from other funds	1,062,231	1,700,000	-
Inventories	-	-	-
Total Assets	<u>\$ 12,000,874</u>	<u>\$ 1,738,933</u>	<u>\$ 844,386</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 403,612	\$ 149,918	\$ 141,555
Accrued liabilities	26,017	-	642
Due to other funds	1,837,207	472,620	589,611
Due to other governments	35,651	-	-
Due to retirement systems	2,320,208	-	-
Unearned revenues	-	-	112,578
Total Liabilities	<u>4,622,695</u>	<u>622,538</u>	<u>844,386</u>
Fund balances			
Nonspendable	-	-	-
Restricted	5,321,794	1,116,395	-
Assigned	46,635	-	-
Unassigned	2,009,750	-	-
Total Fund Balances	<u>7,378,179</u>	<u>1,116,395</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 12,000,874</u>	<u>\$ 1,738,933</u>	<u>\$ 844,386</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 45,337	\$ 5,409,832
-	4,438,924
7,583	100,628
34,685	1,541,220
-	418,963
137,207	2,899,438
10,134	10,134
<u>\$ 234,946</u>	<u>\$ 14,819,139</u>
\$ 21,668	\$ 716,753
-	26,659
-	2,899,438
188	35,839
-	2,320,208
33,139	145,717
<u>54,995</u>	<u>6,144,614</u>
10,134	10,134
45,212	6,483,401
124,605	171,240
-	2,009,750
<u>179,951</u>	<u>8,674,525</u>
\$ 234,946	\$ 14,819,139

Dobbs Ferry Union Free School District, New York

**Reconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2020**

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

Fund Balances - Total Governmental Funds	<u>\$ 8,674,525</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>42,867,228</u>
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension assets (liabilities) and other post employment benefit obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred loss on refunding bonds	23,929
Deferred amounts on net pension assets (liabilities)	7,437,771
Deferred amounts on other post employment benefits	<u>(1,749,379)</u>
	<u>5,712,321</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Net pension asset	<u>3,454,456</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(18,976)
Bonds payable	(13,650,249)
Energy performance contract debt payable	(409,060)
Compensated absences	(303,663)
Net pension liability	(2,348,296)
Other post employment benefit obligations payable	<u>(76,221,257)</u>
	<u>(92,951,501)</u>
Net Position of Governmental Activities	<u>\$ (32,242,971)</u>

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

Dobbs Ferry Union Free School District, New York**Statement of Revenues, Expenditures and Changes in Fund Balances****Governmental Funds**

Year Ended June 30, 2020

	General	Capital Projects	Special Aid
REVENUES			
Real property taxes	\$ 35,967,062	\$ -	\$ -
Other tax items	2,412,140	-	-
Non-property taxes	734,550	-	-
Charges for services	1,313,748	-	-
Use of money and property	183,635	-	-
State aid	5,449,562	-	214,645
Federal aid	85,483	-	640,608
Food sales	-	-	-
Miscellaneous	457,841	-	83,554
Total Revenues	46,604,021	-	938,807
EXPENDITURES			
Current			
General support	4,851,433	-	-
Instruction	27,267,273	-	992,161
Pupil transportation	1,074,196	-	-
Community services	45,703	-	-
Cost of food sales	-	-	-
Employee benefits	10,070,199	-	-
Other	-	-	-
Debt service			
Principal	2,061,094	-	-
Interest	356,635	-	-
Capital outlay	-	611,210	-
Total Expenditures	45,726,533	611,210	992,161
Excess (Deficiency) of Revenues Over Expenditures	877,488	(611,210)	(53,354)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,700,000	53,354
Transfers out	(1,753,354)	-	-
Total Other Financing Sources (Uses)	(1,753,354)	1,700,000	53,354
Net Change in Fund Balances	(875,866)	1,088,790	-
FUND BALANCES			
Beginning of Year	8,254,045	27,605	-
End of Year	\$ 7,378,179	\$ 1,116,395	\$ -

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 35,967,062
-	2,412,140
-	734,550
-	1,313,748
30	183,665
7,210	5,671,417
159,631	885,722
422,603	422,603
-	541,395
589,474	48,132,302
-	4,851,433
-	28,259,434
-	1,074,196
-	45,703
623,529	623,529
-	10,070,199
3,200	3,200
-	2,061,094
-	356,635
-	611,210
626,729	47,956,633
(37,255)	175,669
-	1,753,354
-	(1,753,354)
-	-
(37,255)	175,669
217,206	8,498,856
\$ 179,951	\$ 8,674,525

Dobbs Ferry Union Free School District, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2020

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 34,933
Accounts Receivable	<u>6,265</u>
 Total Assets	 <u><u>41,198</u></u>
 LIABILITIES	
Employee payroll deductions	\$ 6,265
	<u>34,933</u>
 Total Liabilities	 <u><u>\$ 41,198</u></u>

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

Note 1 - Summary of Significant Accounting Policies

The Dobbs Ferry Union Free School District, New York ("School District"), as presently constituted, was established in 1829 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The accounting policies of the School District conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the School District's more significant accounting policies:

A. Financial Reporting Entity

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

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

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

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Special Aid Fund - The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds. The major revenues of this fund are Federal and State aid.

The following represents the School District's non-major governmental funds:

Special Revenue Funds

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with the terms of a trust agreement.

- b. **Fiduciary Funds** (Not Included in District-Wide Statements) - Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency Fund is also utilized to account for payroll tax withholdings that are payable to other jurisdictions.

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

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures

Note 1 - Summary of Significant Accounting Policies (Continued)

generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liabilities and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The School District's position in the pool is equal to the value of the pool shares.

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

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

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2020.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2020, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Land Improvements	20-30
Machinery and Equipment	5-20

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$112,578 for aid received in advance in the Special Aid Fund and \$33,139 in the School Lunch Fund for meal purchases paid in advance. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position 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.

In addition to liabilities, the statement of financial 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 and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows and inflows of resources have been reported on the district-wide Statement of Net Position for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
New York State and Local Employees' Retirement System	\$ 1,556,812	\$ 63,638
New York State Teachers' Retirement System	10,919,282	4,974,685
Other post employment benefits	4,031,256	5,780,635
Deferred loss on refunding bonds	23,929	-
	<u>\$ 16,531,279</u>	<u>\$ 10,818,958</u>

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

The amounts reported as deferred outflows of resources and deferred inflows of resources in relation to the School District's pension and other post employments benefit obligations are detailed in Note 3D.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for capital projects, tax certiorari, unemployment benefits, ERS retirement contributions, TRS retirement contributions, debt service, future capital projects and special purposes. The balance is classified as unrestricted.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

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

F. Encumbrances

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

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 ("Coronavirus") pandemic and the mitigation responses, and such differences may be material. (See Note 4B).

H. Subsequent Event Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 30, 2020.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- f) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- g) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch or Special Purpose funds.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Limitation on Fund Balance

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

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year's budget or 120% of the consumer price index ("CPI").

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

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school district. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay the debt service on tax anticipation

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

Note 3 - Detailed Notes on All Funds**A. Due From/To Other Funds**

The balances reflected as due from/to other funds at June 30, 2020 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,062,231	\$ 1,837,207
Capital Projects	1,700,000	472,620
Special Aid	-	589,611
Non-Major Governmental	137,207	-
	<u>\$ 2,899,438</u>	<u>\$ 2,899,438</u>

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

B. Capital Assets

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

<u>Class</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
Capital Assets, not being depreciated:				
Land	\$ 85,950	\$ -	\$ -	\$ 85,950
Construction-in-Progress	-	609,898	-	609,898
Total Capital Assets, not being depreciated	<u>\$ 85,950</u>	<u>\$ 609,898</u>	<u>\$ -</u>	<u>\$ 695,848</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 60,334,282	\$ -	\$ 186,657	\$ 60,147,625
Land Improvements	3,631,895	-	29,212	3,602,683
Machinery and Equipment	2,310,041	7,165	1,179,604	1,137,602
Total Capital Assets, being depreciated	<u>66,276,218</u>	<u>7,165</u>	<u>1,395,473</u>	<u>64,887,910</u>
Less Accumulated Depreciation for:				
Building and Improvements	20,193,624	1,842,161	186,657	21,849,128
Land Improvements	182,134	173,210	29,212	326,132
Machinery and Equipment	1,263,542	457,332	1,179,604	541,270
Total Accumulated Depreciation	<u>21,639,300</u>	<u>2,472,703</u>	<u>1,395,473</u>	<u>22,716,530</u>
Total Capital Assets, being depreciated, net	<u>\$ 44,636,918</u>	<u>\$ (2,465,538)</u>	<u>\$ -</u>	<u>\$ 42,171,380</u>
Capital Assets, net	<u>\$ 44,722,868</u>	<u>\$ (1,855,640)</u>	<u>\$ -</u>	<u>\$ 42,867,228</u>

Dobbs Ferry Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

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

General Support	\$ 1,330,874
Instruction	<u>1,141,829</u>
Total Depreciation Expense	<u>\$ 2,472,703</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2020 were as follows:

	General Fund	Special Aid Fund	Total
Payroll and employee benefits	<u>\$ 26,017</u>	<u>\$ 642</u>	<u>\$ 26,659</u>

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2020:

	Balance July 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2020	Due Within One-Year
General Obligation Bonds Payable	\$ 15,499,145	\$ -	\$ 1,864,145	\$ 13,635,000	\$ 1,890,000
Plus					
Unamortized premium on bonds	<u>76,260</u>	<u>-</u>	<u>61,011</u>	<u>15,249</u>	<u>-</u>
	<u>15,575,405</u>	<u>-</u>	<u>1,925,156</u>	<u>13,650,249</u>	<u>1,890,000</u>
Energy Performance Contract Debt Payable	<u>606,009</u>	<u>-</u>	<u>196,949</u>	<u>409,060</u>	<u>201,960</u>
Other Non-current Liabilities:					
Compensated Absences	289,091	43,572	29,000	303,663	30,000
Net Pension Liability	648,320	1,699,976	-	2,348,296	-
Other Post Employment Benefit Obligations	<u>68,227,648</u>	<u>9,465,051</u>	<u>1,471,442</u>	<u>76,221,257</u>	<u>-</u>
Total Non-Current Liabilities	<u>69,165,059</u>	<u>11,208,599</u>	<u>1,500,442</u>	<u>78,873,216</u>	<u>30,000</u>
Total Long-Term Liabilities	<u>\$ 85,346,473</u>	<u>\$ 11,208,599</u>	<u>\$ 3,622,547</u>	<u>\$ 92,932,525</u>	<u>\$ 2,121,960</u>

The School District's indebtedness for general obligation bonds payable, energy performance contract debt payable, compensated absences, net pension liability and other post employment benefit obligations is satisfied by the General Fund.

Note 3 - Detailed Notes on All Funds (Continued)**General Obligation Bonds Payable**

General obligations bonds payable at June 30, 2020 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2019
Refunding Bonds	2010	\$ 14,815,000	June, 2021	2.00 - 3.00 %	\$ 965,000
District-Wide Reconstruction	2018	14,269,145	June, 2033	2.00 - 3.00 %	12,670,000
					<u>\$ 13,635,000</u>

Interest expenditures of \$341,216 were recorded in the fund financial statements in the General Fund. Interest expense of \$375,150 was recorded in the district-wide financial statements.

Energy Performance Contract Debt Payable

The School District, in a prior fiscal year, entered into an energy performance contract agreement for \$2,655,000. The agreement provides for annual payments of \$212,368 including interest at 3.96%, through November 2021. The balance due at June 30, 2020 was \$409,060. Interest expenditures of \$15,419 were recorded in the fund financial statements in the General Fund. Interest expense of \$12,078 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and energy performance contract debt as of June 30, 2020 including interest payments of \$2,025,691 are as follows:

Ending June 30,	General Obligation Bonds		Energy Performance Contract		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,890,000	\$ 294,125	\$ 201,960	\$ 10,408	\$ 2,091,960	\$ 304,533
2022	945,000	260,950	207,100	5,270	1,152,100	266,220
2023	960,000	241,900	-	-	960,000	241,900
2024	975,000	222,550	-	-	975,000	222,550
2025	995,000	202,850	-	-	995,000	202,850
2026-2030	5,270,000	695,238	-	-	5,270,000	695,238
2031-2033	2,600,000	92,400	-	-	2,600,000	92,400
	<u>\$ 13,635,000</u>	<u>\$ 2,010,013</u>	<u>\$ 409,060</u>	<u>\$ 15,678</u>	<u>\$ 14,044,060</u>	<u>\$ 2,025,691</u>

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

Note 3 - Detailed Notes on All Funds (Continued)

Compensated Absences

Pursuant to collective bargaining agreements, upon separation of service, the School District is required to compensate administrators, clerical staff and custodians for unused vacation time. For all other employees, vacation time is generally taken in the year earned. The School District is not required to compensate employees for accumulated sick leave, except for teachers, who get paid at a rate of \$40 per day for unused sick days. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plan

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2020 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	16.2 %
	5 A15	13.5
	6 A15	9.7
TRS	1-6	8.86 %

At June 30, 2020, the School District reported the following for its proportionate share of the net pension liability (asset) for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2020	June 30, 2019
Net pension liability (asset)	\$ 2,348,296	\$ (3,454,456)
School Districts' proportion of the net pension liability (asset)	0.0088680 %	0.132966 %
Change in proportion since the prior measurement date	(0.0002822) %	0.002979 %

The net pension liability (asset) was measured as of March 31, 2020 for ERS and June 30, 2019 for TRS and the total pension liability used to calculate the net pension liability (asset) were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2020, the School District recognized pension expense in the district-wide financial statements of \$5,042,124 (\$833,921 for ERS and \$4,208,203 for TRS). Pension expenditures for ERS of \$379,705 were recorded in the fund financial statements in the General Fund. Pension expenditures for TRS of \$2,044,384 was reported in the fund financial statements and were charged to the General Fund.

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 138,207	\$ -	\$ 2,340,996	\$ 256,880
Changes of assumptions	47,284	40,829	6,525,929	1,591,206
Net difference between projected and actual earnings on pension plan investments	1,203,851	-	-	2,770,295
Changes in proportion and differences between School District contributions and proportionate share of contributions	68,703	22,809	2,030	356,304
School District contributions subsequent to the measurement date	98,767	-	2,050,327	-
	<u>\$ 1,556,812</u>	<u>\$ 63,638</u>	<u>\$ 10,919,282</u>	<u>\$ 4,974,685</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 2,479,203	\$ 256,880		
Changes of assumptions	6,573,213	1,632,035		
Net difference between projected and actual earnings on pension plan investments	1,203,851	2,770,295		
Changes in proportion and differences between School District contributions and proportionate share of contributions	70,733	379,113		
School District contributions subsequent to the measurement date	2,149,094	-		
	<u>\$ 12,476,094</u>	<u>\$ 5,038,323</u>		

\$98,767 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2020. The \$2,050,327 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31,	June 30,
	ERS	TRS
2020	\$ -	\$ 1,490,184
2021	250,265	26,506
2022	353,909	1,484,519
2023	439,175	964,444
2024	351,058	76,725
Thereafter	-	(148,108)

Note 3 - Detailed Notes on All Funds (Continued)

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

	ERS	TRS
Measurement Date	March 31, 2020	June 30, 2019
Actuarial valuation date	April 1, 2019	June 30, 2018
Investment rate of return	6.8% *	7.10% *
Salary scale	4.2%	1.90%-4.72%
Inflation rate	2.5%	2.20%
Cost of living adjustments	1.3%	1.3%

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

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018. 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. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

Asset Type	ERS March 31, 2020		TRS June 30, 2019	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.05 %	33 %	6.3 %
International Equity	14	6.15	16	7.8
Private Equity	10	6.75	8	9.9
Real Estate	10	4.95	11	4.6
Domestic Fixed Income Securities	-	-	16	1.3
Global Fixed Income Securities	-	-	2	0.9
High Yield Fixed Income Securities	-	-	1	3.6
Global Equities	-	-	4	7.2
Private Debt	-	-	1	6.5
Real Estate Debt	-	-	7	2.9
Absolute Return Strategies	2	3.25	-	-
Opportunistic Portfolio	3	4.65	-	-
Real Assets	3	5.95	-	-
Bonds and Mortgages	17	0.08	-	-
Cash	1	-	1	0.3
Inflation Indexed Bonds	4	0.50	-	-
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.2% for TRS.

The discount rate used to calculate the total pension liability was 6.8% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.8% for ERS and 7.1% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.8% for ERS and 6.1% for TRS) or 1 percentage point higher (7.8% for ERS and 8.1% for TRS) than the current rate:

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
School District's proportionate share of the ERS net pension liability (asset)	\$ 4,309,787	\$ 2,348,296	\$ 541,755
	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
School District's proportionate share of the TRS net pension liability (asset)	\$ 15,593,052	\$ (3,454,456)	\$ (19,433,165)

The components of the collective net pension liability as of the March 31, 2020 ERS measurement date and the June 30, 2019 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 194,596,261,000	\$ 119,879,473,882
Fiduciary net position	168,115,682,000	122,477,480,654
Employers' net pension liability (asset)	\$ 26,480,579,000	\$ (2,598,006,772)
Fiduciary net position as a percentage of total pension liability	86.39%	102.17%

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2019 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2020 were \$98,767 to ERS and \$2,221,441 to TRS (including employee contributions of \$171,114).

Voluntary Defined Contribution Plan

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

Note 3 - Detailed Notes on All Funds (Continued)**Other Post Employment Benefit Obligations ("OPEB")**

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

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	186
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	262
	<hr/>
	448

The School District's total OPEB liability of \$76,221,257 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

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:

Salary increases	2.60%
Discount rate	2.21%
Inflation	2.60%
Health care cost trend rates	6.6% in 2020 decreasing 0.5% per year to an ultimate rate of 4.1% over 56 years
Retirees' share of benefit-related costs	Varies from 12% to 50%, depending on applicable retirement year and bargaining unit

The discount rate was based on yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/A 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, with mortality improvements using Projection Scale MP-2017.

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

Note 3 - Detailed Notes on All Funds (Continued)

The School District's change in the total OPEB liability for the year ended June 30, 2020 is as follows:

Total OPEB Liability - Beginning of Year	\$ 68,227,648
Service cost	3,841,167
Interest	2,496,880
Changes of benefit terms	-
Differences between expected and actual experience	4,556,914
Changes in assumptions or other inputs	(1,429,910)
Benefit payments	(1,471,442)
Total OPEB Liability - End of Year	<u>\$ 76,221,257</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Current Assumption (2.21%)	1% Increase (3.21%)
Total OPEB Liability	<u>\$ 91,437,366</u>	<u>\$ 76,221,257</u>	<u>\$ 64,237,171</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.5% decreasing to 3.1%) or 1 percentage point higher (7.6% decreasing to 6.1%) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 3.1%)	Healthcare Cost Trend Rates (6.6% decreasing to 4.1%)	1% Increase (7.6% decreasing to 6.1%)
Total OPEB Liability	<u>\$ 61,618,551</u>	<u>\$ 76,221,257</u>	<u>\$ 95,885,351</u>

For the year ended June 30, 2020, the School District recognized OPEB expense of \$5,941,520 in the district-wide financial statements. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,031,256	\$ -
Changes in assumptions	-	5,780,635
	<u>\$ 4,031,256</u>	<u>\$ 5,780,635</u>

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

Year Ended June 30,	
2021	\$ (396,527)
2022	(396,527)
2023	(396,527)
2024	(396,527)
2025	(396,527)
Thereafter	233,256

F. Revenues and Expenditures**Interfund Transfers**

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

	Transfer In		
	Capital Projects Fund	Special Aid Fund	
Transfers Out			Total
General Fund	<u>\$ 1,700,000</u>	<u>\$ 53,354</u>	<u>\$ 1,753,354</u>

Transfers are used to move funds earmarked in the operating funds to fulfill commitments for Special Aid and Capital Projects funds expenditures.

G. Net Position

The components of net position are detailed below:

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for specific purposes in accordance with Section 6-m of the General Municipal Law of the State of New York

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

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

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

Restricted for Future Capital Projects - the component of net position that has been established to set aside funds to be used to finance all or part of the construction or acquisition of a specific type of improvement in accordance with Section 6-c of the General Municipal Law of the State of New York.

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

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

Dobbs Ferry Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2020				2019			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Special Aid Fund	Non-Major Governmental Funds
Nonspendable:								
Prepaid expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,500	\$ -
Inventories	-	-	10,134	10,134	-	-	-	7,121
	-	-	10,134	10,134	-	-	13,500	7,121
Restricted:								
Tax certiorari	3,925,807	-	-	3,925,807	4,073,084	-	-	-
Unemployment benefits	123,083	-	-	123,083	123,083	-	-	-
Employee benefit accrued liability	86,788	-	-	86,788	97,553	-	-	-
ERS retirement contributions	676,944	-	-	676,944	676,944	-	-	-
TRS retirement contributions	50,000	-	-	50,000	50,000	-	-	-
Debt service	406,679	-	-	406,679	406,679	-	-	-
Future capital projects	52,493	-	-	52,493	1,752,493	-	-	-
Capital projects	-	1,116,395	-	1,116,395	-	27,605	-	-
Special purposes	-	-	45,212	45,212	-	-	-	48,382
Total Restricted	5,321,794	1,116,395	45,212	6,483,401	7,179,836	27,605	-	48,382
Assigned:								
Purchases on order:								
General support	7,685	-	-	7,685	16,654	-	-	-
Instruction	38,950	-	-	38,950	77,561	-	-	-
	46,635	-	-	46,635	94,215	-	-	-
School Lunch Fund	-	-	124,605	124,605	-	-	-	161,703
Total Assigned	46,635	-	124,605	171,240	94,215	-	-	161,703
Unassigned	2,009,750	-	-	2,009,750	979,994	-	(13,500)	-
Total Fund Balance	\$ 7,378,179	\$ 1,116,395	\$ 179,951	\$ 8,674,525	\$ 8,254,045	\$ 27,605	\$ -	\$ 217,206

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are currently pending certiorari proceedings, the results of which may require the payment of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

The School District is a defendant in actions in which, parents are seeking reimbursement for tuition paid by them to private schools where they have unilaterally placed (enrolled) their children. If the parents' were successful in the claim, they could receive reimbursement for both tuition and attorney's fees. The School District vigorously contests any liability for these claims.

B. Contingencies

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

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Coronavirus

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of Coronavirus. This was followed by the President of the United States declaring the outbreak of Coronavirus a national emergency on March 13, 2020.

Preceding these announcements, the Governor of the State of New York declared a state of emergency on March 7, 2020 and has since issued multiple Executive Orders regarding the pandemic. Furthermore, the Enacted 2020-21 New York State budget granted the Budget Director the authority to reduce state aid payments to local governments and school districts by any amount needed to achieve a balanced budget. The Budget Director is authorized, under Section 1(f) of Chapter 53 of the Laws of 2020, to withhold all or some of specific local aid payments during state fiscal year 2020-21, that began on April 1, 2020, if the budget is deemed unbalanced and if the Budget Director further determines that such withholding is necessary to respond to the direct and indirect economic financial and social effects of the Coronavirus pandemic ("Reduction Authority").

The ultimate size of any permanent reductions would depend in part on the availability of unrestricted Federal aid. The Federal government has not reached a consensus on additional recovery legislation at this time. Therefore, in the interim, without assurance of Federal aid, New York State has begun withholding a minimum of 20% of most municipal and school district aid payments to achieve the cash flow savings anticipated in the Executive Budget Financial Plan as updated for the Governor's amendments and forecast revisions pursuant to the Reduction Authority. Such measures have already impacted the state aid revenues reported by the School District for the year ended June 30, 2020.

In addition to these New York State actions, the School District's economically sensitive revenues (i.e., sales tax distributions, interest earnings, charges for services) are being negatively impacted. Meanwhile, the School District's expenditures on health and safety measures (personal protective equipment, sanitizing supplies, custodial overtime, technology acquisitions to support remote work and remote learning, additional bus runs to lower capacity) will increase significantly.

The outbreak of the Coronavirus and the dramatic steps taken by the Federal government and New York State to address it will continue to negatively affect New York State and its local economies. The full impact of the Coronavirus on New York State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact on the School District's future operations and finances as a result of the Coronavirus is extremely difficult to predict due to uncertainties relating to its duration and severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including New York State, to contain or mitigate its effects. The spread of the outbreak or reemergence later in the year could have a material adverse financial effect on New York State and local municipalities, including the School District. The School District is continuously monitoring the situation and will take such proactive measures as may be required to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the actual impact on the School District's future financial position at this time.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

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

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million. The School District maintains liability coverage for school board members up to \$1 million. The School District also maintains an umbrella policy with coverage up to \$20 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

Dobbs Ferry Union Free School District, New York

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

	2020	2019	2018
Total OPEB Liability:			
Service cost	\$ 3,841,167	\$ 3,551,980	\$ 3,448,524
Interest	2,496,880	2,185,249	2,059,624
Changes of benefit terms	-	-	-
Differences between expected and actual experience	4,556,914	-	14,992
Changes of assumptions or other inputs	(1,429,910)	(6,050,798)	-
Benefit payments	(1,471,442)	(1,485,862)	(1,393,074)
	7,993,609	(1,799,431)	4,130,066
Total OPEB Liability – Beginning of Year	68,227,648	70,027,079	65,897,013 (3)
Total OPEB Liability – End of Year	\$ 76,221,257	\$ 68,227,648	\$ 70,027,079
School District's covered-employee payroll	\$ 24,055,156	\$ 22,227,145	\$ 22,227,145
Total OPEB liability as a percentage of covered-employee payroll	316.86%	306.96%	315.05%

Notes to Schedule:

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

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

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

Dobbs Ferry Union Free School District, New York

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

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)

	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	0.132966%	0.129987%	0.128823%	0.126673%	0.126494%	0.125329%
School District's proportionate share of the net pension liability (asset)	\$ (3,454,456)	\$ (2,350,504)	\$ (979,184)	\$ 1,356,722	\$ (13,138,707)	\$ (13,960,864)
School District's covered payroll	\$ 22,358,254	\$ 21,339,605	\$ 20,413,236	\$ 19,547,640	\$ 18,996,389	\$ 18,490,015
liability (asset) as a percentage of its covered payroll	(15.45)%	(11.01)%	(4.80)%	6.94%	(69.16)%	(75.50)%
Plan fiduciary net position as a percentage of the total pension liability	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

Schedule of Contributions

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,050,327	\$ 2,374,447	\$ 2,091,281	\$ 2,392,431	\$ 2,592,017	\$ 3,330,067
Contributions in relation to the contractually required contribution	2,050,327	(2,374,447)	(2,091,281)	(2,392,431)	(2,592,017)	(3,330,067)
Contribution excess	\$ 4,100,654	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 23,141,390	\$ 22,358,254	\$ 21,339,605	\$ 20,413,236	\$ 19,547,640	\$ 18,996,389
Contributions as a percentage of covered payroll	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

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

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

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

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

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

Dobbs Ferry Union Free School District, New York

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

Schedule of the School District's Proportionate Share of the Net Pension Liability (2)

	2020 (4)	2019	2018	2017	2016 (3)	2015
School District's proportion of the net pension liability	<u>0.0088680%</u>	<u>0.0091502%</u>	<u>0.0094193%</u>	<u>0.0091606%</u>	<u>0.0090176%</u>	<u>0.0092256%</u>
School District's proportionate share of the net pension liability	<u>\$ 2,348,296</u>	<u>\$ 648,320</u>	<u>\$ 304,003</u>	<u>\$ 860,754</u>	<u>\$ 1,447,343</u>	<u>\$ 311,662</u>
School District's covered payroll	<u>\$ 2,716,945</u>	<u>\$ 2,649,279</u>	<u>\$ 2,702,228</u>	<u>\$ 2,755,750</u>	<u>\$ 2,576,891</u>	<u>\$ 2,577,770</u>
School District's proportionate share of the						
of its covered payroll	<u>86.43%</u>	<u>24.47%</u>	<u>11.25%</u>	<u>31.23%</u>	<u>56.17%</u>	<u>12.09%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 369,851</u>	<u>\$ 390,167</u>	<u>\$ 413,012</u>	<u>\$ 397,184</u>	<u>\$ 460,524</u>	<u>\$ 521,089</u>
Contributions in relation to the contractually required contribution	<u>(369,851)</u>	<u>(390,167)</u>	<u>(413,012)</u>	<u>(397,184)</u>	<u>(460,524)</u>	<u>(521,089)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 2,691,048</u>	<u>\$ 2,705,864</u>	<u>\$ 2,624,512</u>	<u>\$ 2,756,291</u>	<u>\$ 2,630,266</u>	<u>\$ 2,603,190</u>
Contributions as a percentage of covered payroll	<u>13.74%</u>	<u>14.42%</u>	<u>15.74%</u>	<u>14.41%</u>	<u>17.51%</u>	<u>20.02%</u>

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

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

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

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

Dobbs Ferry Union Free School District, New YorkGeneral Fund
Comparative Balance Sheet
June 30,

	2020	2019
ASSETS		
Cash and equivalents	\$ 5,238,303	\$ 6,000,103
Investments	4,428,405	4,344,827
Receivables		
Accounts	40,257	86,175
State and Federal aid	812,715	560,357
Due from other governments	418,963	230,101
Due from other funds	1,062,231	666,973
	2,334,166	1,543,606
Total Assets	\$ 12,000,874	\$ 11,888,536
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 403,612	\$ 628,333
Accrued liabilities	26,017	181,060
Due to other funds	1,837,207	220,614
Due to other governments	35,651	-
Due to retirement systems	2,320,208	2,604,484
Total Liabilities	4,622,695	3,634,491
Fund balance		
Restricted	5,321,794	7,179,836
Assigned	46,635	94,215
Unassigned	2,009,750	979,994
Total Fund Balance	7,378,179	8,254,045
Total Liabilities and Fund Balance	\$ 12,000,874	\$ 11,888,536

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

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

	2020				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbr- ances	
REVENUES					
Real property taxes	\$ 35,967,062	\$ 35,967,062	\$ 35,967,062	\$	\$ -
Other tax items	2,408,242	2,408,242	2,412,140		3,898
Non-property taxes	550,000	550,000	734,550		184,550
Charges for services	1,073,000	1,073,000	1,313,748		240,748
Use of money and property	177,000	177,000	183,635		6,635
Sale of property and compensation for loss	-	-	-		-
State aid	6,216,584	6,216,584	5,449,562		(767,022)
Federal aid	30,000	30,000	85,483		55,483
Miscellaneous	61,000	61,000	457,841		396,841
Total Revenues	46,482,888	46,482,888	46,604,021		121,133
EXPENDITURES					
Current					
General support					
Board of education	57,136	73,527	70,900	-	2,627
Central administration	359,091	359,203	359,203	-	-
Finance	575,788	522,155	522,155	-	-
Staff	224,558	238,623	235,610	2,986	27
Central services	3,230,163	3,269,931	2,897,722	4,699	367,510
Special items	582,030	765,843	765,843	-	-
Total General Support	5,028,766	5,229,282	4,851,433	7,685	370,164
Instruction					
Instruction, administration and improvement	1,893,666	1,818,433	1,818,412	-	21
Teaching - Regular school	14,894,107	14,764,947	14,675,231	2,500	87,216
Programs for students with disabilities	6,467,018	6,612,546	6,528,603	22,500	61,443
Occupational education	51,000	71,202	71,202	-	-
Instructional media	1,453,559	1,469,118	1,468,991	-	127
Pupil services	2,779,498	2,751,197	2,704,834	4,175	42,188
Total Instruction	27,538,848	27,487,443	27,267,273	29,175	190,995
Pupil transportation	1,343,850	1,345,590	1,074,196	-	271,394
Community services	-	45,703	45,703	-	-
Employee benefits	10,112,907	10,156,044	10,070,199	9,775	76,070
Debt service					
Principal	2,061,095	2,061,094	2,061,094	-	-
Interest	356,637	356,635	356,635	-	-
Total Expenditures	46,442,103	46,681,791	45,726,533	46,635	908,623
Excess (Deficiency) of Revenues Over Expenditures	40,785	(198,903)	877,488	(46,635)	1,029,756
OTHER FINANCING USES					
Transfers out	(135,000)	(1,853,354)	(1,753,354)	-	100,000
Net Change in Fund Balance	(94,215)	(2,052,257)	(875,866)	<u>\$ (46,635)</u>	<u>\$ 1,129,756</u>
FUND BALANCE					
Beginning of Year	94,215	2,052,257	8,254,045		
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,378,179</u>		

See independent auditors' report.

2019				
Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
\$ 37,276,560	\$ 34,269,579	\$ 34,247,034	\$	\$ (22,545)
55,000	3,061,981	3,068,547		6,566
500,000	500,000	559,532		59,532
1,048,000	1,048,000	1,329,821		281,821
97,000	97,000	311,954		214,954
-	-	6,082		6,082
5,729,389	5,729,389	4,606,182		(1,123,207)
30,000	30,000	91,907		61,907
61,000	61,000	95,600		34,600
<u>44,796,949</u>	<u>44,796,949</u>	<u>44,316,659</u>		<u>(480,290)</u>
48,064	42,972	42,972	-	-
357,315	362,063	359,926	2,137	-
584,059	569,343	569,343	-	-
196,591	222,905	220,393	2,512	-
3,209,378	3,533,821	3,521,814	12,005	2
607,321	832,527	832,527	-	-
<u>5,002,728</u>	<u>5,563,631</u>	<u>5,546,975</u>	<u>16,654</u>	<u>2</u>
1,857,545	1,855,735	1,855,735	-	-
14,454,423	14,659,748	14,659,420	328	-
6,158,154	6,111,384	6,041,201	70,183	-
50,286	18,090	18,090	-	-
1,830,724	1,747,069	1,746,643	426	-
2,616,829	2,583,032	2,576,408	6,624	-
<u>26,967,961</u>	<u>26,975,058</u>	<u>26,897,497</u>	<u>77,561</u>	<u>-</u>
1,278,178	1,308,626	1,308,626	-	-
12,600	-	-	-	-
9,958,550	9,992,427	9,992,427	-	-
1,792,062	1,792,062	1,792,062	-	-
555,234	555,234	555,234	-	-
<u>45,567,313</u>	<u>46,187,038</u>	<u>46,092,821</u>	<u>94,215</u>	<u>2</u>
(770,364)	(1,390,089)	(1,776,162)	(94,215)	(480,288)
<u>(135,000)</u>	<u>(49,049)</u>	<u>(49,049)</u>	<u>-</u>	<u>-</u>
(905,364)	(1,439,138)	(1,825,211)	\$ (94,215)	\$ (480,288)
<u>905,364</u>	<u>1,439,138</u>	<u>10,079,256</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,254,045</u>		

Dobbs Ferry Union Free School District, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 35,967,062	\$ 35,967,062	\$ 35,967,062	\$ -
OTHER TAX ITEMS				
School tax relief reimbursement	2,353,242	2,353,242	2,353,242	-
Bisected property taxes	55,000	55,000	58,898	3,898
	<u>2,408,242</u>	<u>2,408,242</u>	<u>2,412,140</u>	<u>3,898</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	550,000	550,000	734,550	184,550
CHARGES FOR SERVICES				
Day school tuition	450,000	450,000	653,064	203,064
Other student fees and charges	123,000	123,000	124,702	1,702
Health services for other districts	500,000	500,000	535,982	35,982
	<u>1,073,000</u>	<u>1,073,000</u>	<u>1,313,748</u>	<u>240,748</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	150,000	150,000	175,141	25,141
Rental of real property	25,000	25,000	8,142	(16,858)
Commissions	2,000	2,000	352	(1,648)
	<u>177,000</u>	<u>177,000</u>	<u>183,635</u>	<u>6,635</u>

STATE AID

Basic formula	3,958,272	2,898,383	3,465,642	567,259
BOCES	551,502	551,502	793,056	241,554
Transportation aid	269,601	269,601	-	(269,601)
Lottery aid	16,719	1,052,608	1,035,889	(16,719)
Textbooks	135,710	97,819	93,084	(4,735)
Computer software	-	50,635	50,635	-
Library aid	-	11,256	11,256	-
Tax limitation aid	1,284,780	1,284,780	-	(1,284,780)
	<u>6,216,584</u>	<u>6,216,584</u>	<u>5,449,562</u>	<u>(767,022)</u>

FEDERAL AID

Medical assistance	<u>30,000</u>	<u>30,000</u>	<u>85,483</u>	<u>55,483</u>
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MISCELLANEOUS

Other	1,000	1,000	25,401	24,401
Gifts and donations	-	-	796	796
Refund for BOCES' aided services	60,000	60,000	60,049	49
Refund of prior year's expenditures	<u>-</u>	<u>-</u>	<u>371,595</u>	<u>371,595</u>
	<u>61,000</u>	<u>61,000</u>	<u>457,841</u>	<u>396,841</u>

TOTAL REVENUES

<u>\$ 46,482,888</u>	<u>\$ 46,482,888</u>	<u>\$ 46,604,021</u>	<u>\$ 121,133</u>
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See independent auditors' report.

Dobbs Ferry Union Free School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 28,675	\$ 30,667	\$ 30,663	\$ -	\$ 4
District clerk	9,531	9,240	9,240	-	-
District meeting	18,930	33,620	30,997	-	2,623
Total Board of Education	57,136	73,527	70,900	-	2,627
CENTRAL ADMINISTRATION					
Chief school administrator	359,091	359,203	359,203	-	-
FINANCE					
Business administration	424,103	379,552	379,552	-	-
Accounting and auditing	48,700	41,573	41,573	-	-
Treasurer	102,985	101,030	101,030	-	-
Total Finance	575,788	522,155	522,155	-	-
STAFF					
Legal	63,000	64,651	61,638	2,986	27
Personnel	91,370	104,949	104,949	-	-
Public information and services	70,188	69,023	69,023	-	-
Total Staff	224,558	238,623	235,610	2,986	27

CENTRAL SERVICES

Operation and maintenance of plant	2,973,113	2,970,757	2,598,548	4,699	367,510
Central printing and mailing	15,750	26,274	26,274	-	-
Central data processing	241,300	272,900	272,900	-	-

Total Central Services	3,230,163	3,269,931	2,897,722	4,699	367,510
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SPECIAL ITEMS

Unallocated insurance	163,700	180,313	180,313	-	-
Refunds of real property taxes	-	147,277	147,277	-	-
Assessments on school property	196,500	216,423	216,423	-	-
Administrative charge - BOCES	221,830	221,830	221,830	-	-

Total Special Items	582,030	765,843	765,843	-	-
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Total General Support	5,028,766	5,229,282	4,851,433	7,685	370,164
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INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	302,055	258,568	258,568	-	-
Supervision - Regular school	1,434,628	1,437,716	1,437,695	-	21
Research, planning and evaluation	2,300	2,300	2,300	-	-
In-service training - Instruction	154,683	119,849	119,849	-	-

Total Instruction, Administration and Improvement	1,893,666	1,818,433	1,818,412	-	21
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TEACHING - REGULAR SCHOOL	14,894,107	14,764,947	14,675,231	2,500	87,216
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PROGRAMS FOR STUDENTS WITH DISABILITIES	6,467,018	6,612,546	6,528,603	22,500	61,443
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OCCUPATIONAL EDUCATION	51,000	71,202	71,202	-	-
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(Continued)

Dobbs Ferry Union Free School District, New York

General Fund

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
INSTRUCTION (Continued)					
<i>INSTRUCTIONAL MEDIA</i>					
School library and audiovisual	\$ 335,765	\$ 346,707	\$ 346,707	\$ -	\$ -
Computer assisted instruction	1,117,794	1,122,411	1,122,284	-	127
Total Instructional Media	1,453,559	1,469,118	1,468,991	-	127
<i>PUPIL SERVICES</i>					
Guidance - Regular school	809,041	811,693	811,693	-	-
Health services - Regular school	442,560	459,428	454,357	-	5,071
Psychological services - Regular school	773,726	727,251	727,251	-	-
Co-curricular activities - Regular school	237,921	236,706	227,509	-	9,197
Interscholastic athletics - Regular school	516,250	516,119	484,024	4,175	27,920
Total Pupil Services	2,779,498	2,751,197	2,704,834	4,175	42,188
Total Instruction	27,538,848	27,487,443	27,267,273	29,175	190,995
<i>PUPIL TRANSPORTATION</i>					
District transportation services	24,250	23,602	23,551	-	51
Contract and public carrier transportation	1,319,600	1,321,988	1,050,645	-	271,343
Total Pupil Transportation	1,343,850	1,345,590	1,074,196	-	271,394
<i>COMMUNITY SERVICES</i>					
Civic activities	-	45,703	45,703	-	-

EMPLOYEE BENEFITS

State retirement	385,281	379,799	379,705	-	94
Teachers' retirement	2,031,565	2,054,047	2,044,384	-	9,663
Social security	1,943,613	1,944,378	1,923,483	-	20,895
Hospital, medical and dental insurance	5,199,663	5,186,705	5,148,417	-	38,288
Unemployment insurance	5,000	35,000	25,225	9,775	-
Workers' compensation benefits	170,741	170,741	170,064	-	677
Union welfare benefits	348,994	350,984	350,984	-	-
Other	28,050	34,390	27,937	-	6,453

Total Employee Benefits

10,112,907	10,156,044	10,070,199	9,775	76,070
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DEBT SERVICE**Principal**

Serial bonds	1,864,145	1,864,145	1,864,145	-	-
Energy performance contract debt	196,950	196,949	196,949	-	-
	2,061,095	2,061,094	2,061,094	-	-

Interest

Serial bonds	341,217	341,216	341,216	-	-
Energy performance contract debt	15,420	15,419	15,419	-	-
	356,637	356,635	356,635	-	-

Total Debt Service

2,417,732	2,417,729	2,417,729	-	-
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TOTAL EXPENDITURES

46,442,103	46,681,791	45,726,533	46,635	908,623
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OTHER FINANCING USES**Transfers out**

Capital Projects Fund	100,000	1,800,000	1,700,000	-	100,000
Special Aid Fund	35,000	53,354	53,354	-	-

TOTAL OTHER FINANCING USES

135,000	1,853,354	1,753,354	-	100,000
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**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

\$ 46,577,103	\$ 48,535,145	\$ 47,479,887	\$ 46,635	\$ 1,008,623
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See independent auditors' report.

Dobbs Ferry Union Free School District, New York**Capital Projects Fund
Comparative Balance Sheet
June 30,**

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 28,414	\$ 35,513
Investments	10,519	10,411
State and Federal aid receivable	-	157,082
Due from other funds	<u>1,700,000</u>	<u>-</u>
Total Assets	<u><u>\$ 1,738,933</u></u>	<u><u>\$ 203,006</u></u>
Liabilities		
Accounts payable	\$ 149,918	\$ 144,120
Due to other funds	<u>472,620</u>	<u>31,281</u>
Total Liabilities	<u>622,538</u>	<u>175,401</u>
Fund balance		
Restricted	<u>1,116,395</u>	<u>27,605</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,738,933</u></u>	<u><u>\$ 203,006</u></u>

See independent auditors' report.

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

	<u>2020</u>	<u>2019</u>
REVENUES		
State aid	\$ -	\$ 157,082
EXPENDITURES		
Capital outlay	<u>611,210</u>	<u>540,702</u>
Deficiency of Revenues Over Expenditures	(611,210)	(383,620)
OTHER FINANCING SOURCES		
Transfer in	<u>1,700,000</u>	<u>-</u>
Net Change in Fund Balance	1,088,790	(383,620)
FUND BALANCE		
Beginning of Year	<u>27,605</u>	<u>411,225</u>
End of Year	<u>\$ 1,116,395</u>	<u>\$ 27,605</u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2020

PROJECT	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
2020 Construction for Buildings (HS/MS)	\$ 18,020,000	\$ -	\$ 498,333	\$ 498,333
2020 Construction for Buildings (Elementary)	1,957,378	-	85,272	85,272
District-Wide Reconstruction	16,019,145	15,986,240	27,605	16,013,845
2019 Smart Schools Bond -				
	367,973	157,082	-	157,082
	<u>\$ 36,364,496</u>	<u>\$ 16,143,322</u>	<u>\$ 611,210</u>	<u>\$ 16,754,532</u>

See independent auditors' report.

Unexpended Balance	Methods of Financing				Fund Balance at June 30, 2020
	Interfund Transfers	Proceeds of Obligations	State Aid	Total	
\$ 17,521,667	\$ 1,530,000	\$ -	\$ -	\$ 1,530,000	\$ 1,031,667
1,872,106	170,000	-	-	170,000	84,728
5,300	1,744,700	14,269,145	-	16,013,845	-
210,891	-	-	157,082	157,082	-
<u>\$ 19,609,964</u>	<u>\$ 3,444,700</u>	<u>\$ 14,269,145</u>	<u>\$ 157,082</u>	<u>\$ 17,870,927</u>	<u>\$ 1,116,395</u>

Dobbs Ferry Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	<u>\$ 97,778</u>	<u>\$ 271,261</u>
Receivables		
Accounts	52,788	43,728
State and Federal aid	<u>693,820</u>	<u>541,506</u>
	<u>746,608</u>	<u>585,234</u>
Prepaid expenditures	<u>-</u>	<u>13,500</u>
Total Assets	<u><u>\$ 844,386</u></u>	<u><u>\$ 869,995</u></u>
LIABILITIES AND FUND BALANCE		
Accounts payable	\$ 141,555	\$ 29,698
Accrued liabilities	642	756
Due to other funds	589,611	635,692
Unearned revenues	<u>112,578</u>	<u>203,849</u>
Total Liabilities	<u>844,386</u>	<u>869,995</u>
Fund balance (deficit)		
Nonspendable	-	13,500
Unassigned	<u>-</u>	<u>(13,500)</u>
Total Fund Balance	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 844,386</u></u>	<u><u>\$ 869,995</u></u>

See independent auditors' report.

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

	<u>2020</u>	<u>2019</u>
REVENUES		
State aid	\$ 214,645	\$ 196,194
Federal aid	640,608	530,675
Miscellaneous	<u>83,554</u>	<u>94,984</u>
Total Revenues	938,807	821,853
EXPENDITURES		
Current		
Instruction	<u>992,161</u>	<u>870,902</u>
Deficiency of Revenues Over Expenditures	(53,354)	(49,049)
OTHER FINANCING SOURCES		
Transfers in	<u>53,354</u>	<u>49,049</u>
Net Change in Fund Balance	-	-
FUND BALANCE		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2020
 (With Comparative Totals for 2019)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2020	2019
ASSETS				
Cash and equivalents	\$ 125	\$ 45,212	\$ 45,337	\$ 134,191
Receivables				
Accounts	7,583	-	7,583	-
State and Federal aid	34,685	-	34,685	9,496
Due from other funds	137,207	-	137,207	220,614
	179,475	-	179,475	230,110
Inventories	10,134	-	10,134	7,121
Total Assets	<u>\$ 189,734</u>	<u>\$ 45,212</u>	<u>\$ 234,946</u>	<u>\$ 371,422</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 21,668	\$ -	\$ 21,668	\$ 136,827
Due to other governments	188	-	188	1,111
Unearned revenues	33,139	-	33,139	16,278
Total Liabilities	54,995	-	54,995	154,216
Fund balances				
Nonspendable	10,134	-	10,134	7,121
Restricted	-	45,212	45,212	48,382
Assigned	124,605	-	124,605	161,703
Total Fund Balances	134,739	45,212	179,951	217,206
Total Liabilities and Fund Balances	<u>\$ 189,734</u>	<u>\$ 45,212</u>	<u>\$ 234,946</u>	<u>\$ 371,422</u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2020
(With Comparative Totals for 2019)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2020	2019
REVENUES				
Use of money and property	\$ -	\$ 30	\$ 30	\$ 42
State aid	7,210	-	7,210	7,624
	159,631	-	159,631	117,044
Food sales	422,603	-	422,603	657,565
Miscellaneous	-	-	-	3,093
Total Revenues	589,444	30	589,474	785,368
EXPENDITURES				
Current				
Cost of food sales	623,529	-	623,529	879,343
Other	-	3,200	3,200	2,300
Total Expenditures	623,529	3,200	626,729	881,643
Deficiency of Revenues Over Expenditures	(34,085)	(3,170)	(37,255)	(96,275)
FUND BALANCES				
Beginning of Year	168,824	48,382	217,206	313,481
End of Year	<u>\$ 134,739</u>	<u>\$ 45,212</u>	<u>\$ 179,951</u>	<u>\$ 217,206</u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New YorkSchool Lunch Fund
Comparative Balance Sheet
June 30,

	2020	2019
ASSETS		
Cash and equivalents	\$ 125	\$ 85,809
Receivables		
Accounts	7,583	-
State and Federal aid	34,685	9,496
Due from other funds	137,207	220,614
	179,475	230,110
Inventories	10,134	7,121
Total Assets	\$ 189,734	\$ 323,040
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 21,668	\$ 136,827
Due to other governments	188	1,111
Unearned revenues	33,139	16,278
Total Liabilities	54,995	154,216
Fund balance		
Nonspendable	10,134	7,121
Assigned	124,605	161,703
Total Fund Balance	134,739	168,824
Total Liabilities and Fund Balance	\$ 189,734	\$ 323,040

See independent auditors' report.

Dobbs Ferry Union Free School District, New York**School Lunch Fund****Comparative Statement of Revenues, Expenditures and****Changes in Fund Balance****Years Ended June 30,**

	<u>2020</u>	<u>2019</u>
REVENUES		
State aid	\$ 7,210	\$ 7,624
Federal aid	159,631	117,044
Food sales	422,603	657,565
Miscellaneous	<u>-</u>	<u>3,093</u>
Total Revenues	589,444	785,326
EXPENDITURES		
Current		
Cost of food sales	<u>623,529</u>	<u>879,343</u>
Deficiency of Revenues Over Expenditures	(34,085)	(94,017)
FUND BALANCE		
Beginning of Year	<u>168,824</u>	<u>262,841</u>
End of Year	<u><u>\$ 134,739</u></u>	<u><u>\$ 168,824</u></u>

See independent auditors' report.

Compliance and Other Matters

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 30, 2020

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

Independent Auditors' Report

**The Board of Education of the
Dobbs Ferry Union Free School District, New York**

Report on Compliance for Each Major Federal Program

We have audited the Dobbs Ferry Union Free School District, New York's ("School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2020. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 30, 2020

DOBBS FERRY UNION FREE SCHOOL DISTRICT, NEW YORK

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided To Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
School Breakfast Program (SBP)	10.553	N/A	\$ -	\$ 26,414
National School Lunch Program (NSLP)	10.555	N/A	-	98,319
National School Lunch Program (NSLP) Commodities	10.555	N/A	-	34,898
Total U.S. Department of Agriculture			-	159,631
<u>U.S. Department of Education</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education - Cluster (IDEA)</i>				
Special Education - Grants to States (IDEA, Part B)	84.027	0033-20-1054	-	394,531
Special Education - Preschool Grants (IDEA, Preschool)	84.173	0033-20-1054	-	9,282
Subtotal Special Education Cluster			-	403,813
Title I Grants to Local Educational Agencies	84.010	0021-19-3645	-	83,097
Title I Grants Local Educational Agencies	84.010	0021-20-3645	-	109,960
			-	193,057
English Language Acquisition State Grants	84.365	0293-19-3645	-	2,213
			-	2,213
Supporting Effective Instruction State Grants	84.367	0147-19-3645	-	25,300
Supporting Effective Instruction State Grants	84.367	0147-20-3645	-	6,325
			-	31,625
Student Support and Academic Enrichment Program	84.424	0204-19-3645	-	7,920
Student Support and Academic Enrichment Program	84.424	0204-20-3645	-	1,980
			-	9,900
Total U.S. Department of Education			-	640,608
Total Expenditures of Federal Awards			\$ -	\$ 800,239

(1) Catalog of Federal Domestic Assistance number

The accompanying notes are an integral part of this schedule.

Dobbs Ferry Union Free School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Dobbs Ferry Union Free School District, New York ("School District") under programs of the federal government for the year ended June 30, 2020. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Pass-through identifying numbers are presented where available.

Dobbs Ferry Union Free School District, New York

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Section I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

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

Unmodified

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

____ Yes X No

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027
84.173

Special Education Cluster (IDEA):
Special Education – Grants to States
Special Education – Preschool Grants

Dollar threshold used to distinguish between Type A and Type B programs:
Auditee qualified as low-risk auditee?

\$750,000
____ Yes X No

Dobbs Ferry Union Free School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2020

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Dobbs Ferry Union Free School District, New York

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

No Prior Year Audit Findings.

FORM OF BOND COUNSEL'S OPINION

June 4, 2021

The Board of Education of the
Dobbs Ferry Union Free School District,
in the County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Dobbs Ferry Union Free School District, (the "School District"), in the County of Westchester, 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 \$13,500,000 Bond Anticipation Notes for School Construction-2021 (the "Note"), 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 Note is a 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 Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note 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 Note 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 Note 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 Note in order that the interest on the Note 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 Note, restrictions on the investment of proceeds of the Note 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 Note 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 Note, the School District will execute a Tax Certificate relating to the Note 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 Note 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 Note, 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 Note 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 Note, 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 Note.

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