This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 2, 2021

REFUNDING ISSUE | **SERIAL BOND**

MOODY'S INVESTORS SERVICE: "Aa2" | **See "BOND RATING" herein**

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

The School District will designate the Bonds as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 of the Code.

$6,545,000*

EASTCHESTER UNION FREE SCHOOL DISTRICT

WESTCHESTER COUNTY, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE: 276119

$6,545,000* School District Refunding Serial Bonds – 2021

(the "Bonds")

Dated: Date of Delivery | **Due: June 15, 2021-2034**

MATURITIES

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2021	$ 5,000	%	%		2026	$ 465,000	%	%		2031	$ 570,000**	%	%	
2022	405,000				2027	480,000				2032	575,000**			
2023	415,000				2028	505,000				2033	585,000**			
2024	430,000				2029	520,000				2034	595,000**			
2025	450,000				2030	545,000**								

** The Bonds maturing in the years 2030-2034 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption."

The Bonds will be general obligations of the Eastchester Union Free School District, Westchester County, New York (the "District" or "School District"), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Bonds and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the District without limitation as to rate or amount.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 each or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. (See "*BOOK-ENTRY-ONLY SYSTEM*").

Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity, commencing June 15, 2021. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein.

The Bonds are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by its Counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. It is expected that delivery of the Bonds will be made on or about March 30, 2021.

The Bonds are offered subject to approval by the State Comptroller of the terms and conditions of the Bond issue and the Certificate of the President of the Board of Education of the School District executed pursuant to Section 90.10(g) of the Local Finance Law.

This Preliminary Official Statement is in a form "Deemed Final" by the District for the purpose of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). For a description of the District's agreement to provide continuing disclosure as described in the Rule, see "*CONTINUING DISCLOSURE UNDERTAKING*" herein.

ROOSEVELT & CROSS INCORPORATED

March ___, 2021

* Preliminary, subject to change.

EASTCHESTER UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2020-2021 BOARD OF EDUCATION

ROBERT SUMMER
President

JUDAH HOLSTEIN
Vice President

DAVID CARFORO, TRUSTEE
STEVE PROJANSKY, TRUSTEE
VITO CATANIA, TRUSTEE
TARA CONTE, TRUSTEE
VACANT
ERIN MURRAY, SECRETARY

* * * * * * * * * * *

DR. ROBERT GLASS
Superintendent of Schools

LISA SANFILIPPO, CPA
Assistant Superintendent of Business

JEANETTE MESSINA
District Clerk

GINA LANZA, CPA
District Treasurer

KEANE & BEANE P.C.
ATTORNEYS AT LAW
District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

Hawkins
DELAFIELD & WOOD LLP
Bond Counsel

No person has been authorized by Eastchester 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 Bonds 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 Eastchester Union Free School District.

The Underwriter has provided the following sentence for inclusion in this Official Statement. "The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of its responsibilities under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKETS. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

EASTCHESTER UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

Relating To

$6,545,000* School District Refunding Serial Bonds – 2021

This Official Statement, which includes the cover page and appendices, has been prepared by the Eastchester Union Free School District, Westchester County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the School District of $6,545,000* principal amount of School District Refunding Serial Bonds – 2021 (the "Bonds").

The factors affecting the District's financial condition and the Bonds 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.

The Bonds are offered subject to approval by the State Comptroller of the terms and conditions of the Bond issue and the Certificate of the President of the Board of Education of the School District executed pursuant to Section 90.10(g) of the Local Finance Law.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the School 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 Bonds and the proceedings of the School District relating thereto are qualified in their entirety by reference to the definitive form of the Bonds 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 School District's overall economic situation and outlook (and all of the specific School 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.

THE BONDS

Description of the Bonds

The Bonds 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 Bonds as required by the Constitution and laws of the State (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 Bonds and interest thereon without limitation as to rate or amount. See "*Tax Levy Limit Law*" herein.

The Bonds will be dated the date of delivery and will mature in the principal amounts as set forth on the cover page. The Bonds are subject to redemption prior to maturity as set forth herein (See "Optional Redemption" herein). The "Record Date" of the Bonds will be the last business day of the calendar month preceding each such interest payment date. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity, commencing June 15, 2021 Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

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* Preliminary, subject to change.

Optional Redemption

Bonds maturing on or before June 15, 2029 shall not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2030 shall be subject to redemption prior to maturity on not less than thirty (30) days' notice as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the District on June 15, 2029 or on any date thereafter at par, plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by the District by lot in any customary manner of selection as determined by the President of the Board of Education. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Nature of Obligation

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

The Bonds 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 Bonds, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. Chapter 97 of the New York Laws of 2011, as amended, (the "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. The amount of such year-to-year increase is 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 Bonds are being issued to refinance voter approved capital expenditures, the Bonds 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 "*Tax Levy Limit Law*" herein.)

AUTHORIZATION AND PLAN OF REFUNDING

Authorization and Purposes

The Bonds are being issued pursuant to the Constitution and statutes of the State, including particularly section 90.00 or 90.10 of the Local Finance Law, a refunding bond resolution adopted by the Board of Education on January 12, 2021 (the "Refunding Bond Resolution") and other proceedings and determinations related thereto. The Refunding Bond Resolution authorizes the refunding of all or a portion of the $7,175,000 outstanding principal balance of the School District Serial Bonds – 2013 Series A, dated June 27, 2013, maturing June 15, 2022 through 2034 ("The Refunded Bonds"), originally issued by the School District in the aggregate principal amount of $9,966,725 and authorizes issuance of the Bonds to provide the funds necessary to effect the refunding of the Refunded Bonds.

The Refunded Bonds were authorized by the Board of Education pursuant to a bond resolution adopted to provide funds for the construction of additions and alterations to the Middle School.

The proceeds of the Bonds are intended to be used to purchase a portfolio of non-callable direct obligations of the United States of America (the "Government Obligations") and pay certain costs of issuance related to the Bonds. The principal of and investment income on the portfolio of Government Obligations together with other available cash on deposit in the Escrow Deposit Fund (as hereinafter defined) are expected to be sufficient to pay the maturing principal of and interest on the Refunded Bonds.

The Refunding Financial Plan

The Bonds are being issued to effect the refunding of the Refunded Bonds pursuant to the District's refunding financial plan (the "Refunding Financial Plan"). The Refunding Financial Plan provides that the proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance related to the Bonds) are to be applied to the purchase of the Government Obligations. The Government Obligations are to be placed in an irrevocable trust fund (the "Escrow Deposit Fund") with Wilmington Trust, N.A., an affiliate of Manufacturers and Traders Trust Company (the "Escrow Holder"), pursuant to the terms of an escrow contract (the "Escrow Contract") by and between the District and the Escrow Holder. The Refunding Financial Plan further provides that the Government Obligations will mature in amounts and bear interest sufficient, together with any un-invested cash deposited into the Escrow Deposit Fund from proceeds of the Bonds, to meet principal and interest payments with respect to the Refunded Bonds on the dates such payments are due or, in the case of Refunded Bonds subject to redemption prior to maturity, upon their earliest redemption dates (the "Payment Dates"). The Refunding Financial Plan calls for the Escrow Holder, pursuant to the Refunding Bond Resolution and the Escrow Contract, to call for redemption all the then outstanding Refunded Bonds on their respective first permitted redemption date. The owners of the Refunded Bonds will have a first lien on all of the respective cash and securities necessary for the refunding in the Escrow Deposit Fund into which are required to be deposited all investment income on and maturing principal of the Government Obligations, together with the un-invested cash deposit, until the Refunded Bonds have been paid, whereupon the Escrow Contract, given certain conditions precedent, shall terminate.

The District is expected to realize, as a result of the issuance of the Bonds, and in accordance with the Refunding Financial Plan, cumulative dollar and present value debt service savings.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the District and will continue to be payable from District sources legally available therefor. However, inasmuch as the Government Obligations and cash held in the Escrow Deposit Fund will have been verified to be sufficient to meet all required payments of principal and interest on the Refunded Bonds, it is not anticipated that such District sources of payment will be used.

The list of Refunded Bond maturities set forth below, may be changed by the District in its sole discretion due to market or other factors considered relevant by the District at the time of pricing of the Bonds and no assurance can be given that any particular series of bonds listed or that any particular maturity thereof will be refunded.

School District Serial Bonds – 2013 Series A
CUSIP BASE: 276119

Due June 15th	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CSP
2022	$ 450,000	3.000	6/15/2021	100.00	SL9
2023	460,000	3.000	6/15/2021	100.00	SM7
2024	475,000	3.000	6/15/2021	100.00	SN5
2025	490,000	3.250	6/15/2021	100.00	SP0
2026	505,000	3.375	6/15/2021	100.00	SQ8
2027	520,000	3.500	6/15/2021	100.00	SR6
2028	540,000	4.000	6/15/2021	100.00	SS4
2029	560,000	4.000	6/15/2021	100.00	ST2
2030	585,000	4.000	6/15/2021	100.00	SU9
2031	610,000	4.000	6/15/2021	100.00	SV7
2032	635,000	4.000	6/15/2021	100.00	SW5
2033	660,000	4.000	6/15/2021	100.00	SX3
2034	685,000	4.000	6/15/2021	100.00	SY1
	$ 7,175,000				

The proceeds of the Refunded Bonds have been fully expended.

Verification of Mathematical Computations

Causey Demgen & Moore PC, a firm of independent public accountants, will deliver to the District, on or before the date of delivery of the Bonds, its attestation report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the District and its representatives. Included in the scope of its engagement will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on, the Government Obligations used to fund the Escrow Deposit Fund to be established by the Escrow Holder to pay, when due, the maturing principal of and interest on the Refunded Bonds.

The verification performed by Causey Demgen & Moore PC will be solely based upon data, information and documents provided to Causey Demgen & Moore PC by the District and its representatives. Causey Demgen & Moore PC reports of its verification will state Causey Demgen & Moore PC has no obligations to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

Sources and Uses of Bond Proceeds

Proceeds of the Bonds are to be applied as follows:

Sources:	Par Amount of the Bonds		$
	Original Issue Premium (Discount)		
		Total	$
Uses:	Deposit to Escrow Fund		$
	Underwriter's Discount		
	Costs of Issuance and Contingency		
		Total	$

REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the District default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. The Bonds 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 Bonds 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 Bonds, the owners of such Bonds 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 Bonds 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 Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. 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 Bonds 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 Bondholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 41 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

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

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

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

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

No Past Due Debt

No principal or interest payment on District indebtedness is past due. On August 1, 2016, the District had an interest payment due and as a result of clerical oversight the payment was not made until August 2, 2016. The District implemented new measures to ensure this oversight will not happen in the future.

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 Bonds.

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

SECTION 99-B OF THE STATE FINANCE LAW

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

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

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

BOOK-ENTRY-ONLY-SYSTEM

DTC will act as securities depository for the Bonds. The Bonds 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 bond certificate will be issued for each maturity of the Bonds.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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**.

Purchasers of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 the Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

Principal and interest payments on the Bonds 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 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 or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to 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 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, bond 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, bond 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 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, 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 BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

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 Bonds

DTC may discontinue providing its services with respect to the Bonds 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 transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity, commencing June 15, 2021. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND SCHOOL DISTRICTS OF THE STATE

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. 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 Bonds.

If and when an owner of any of the Bonds should elect to sell all or a part of the Bonds 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 Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bonds 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 Bonds. 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 Bonds, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID19 outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "*State Aid*" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid

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

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, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. 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" and "State Aid History" herein). Additional information regarding the District's response to the COVID-19 pandemic are publicly available on the District's website at https://www.eufsdk12.org/domain/409.

Cybersecurity

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

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds 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 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificate of the School District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds 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 School District in connection with the Bonds, and Bond Counsel has assumed compliance by the School 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 Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the School District, under existing statutes, interest on the Bonds 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 Bonds, 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 Bonds.

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 Bonds in order that interest on the Bonds 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 Bonds, 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 Bonds 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 School District, in executing the Tax Certificate, will certify to the effect that the School 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 Bonds 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 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. 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 Bonds.

Prospective owners of the Bonds 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 Bonds 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 Bond (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 Bonds. In general, the issue price for each maturity of Bonds 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 Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds 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 Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond 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 Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. 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 Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds 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 Bonds.

Bond Premium

In general, if an owner acquires a Bond 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 Bond 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 Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond 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 Bond 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 Bond, 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 Bond may realize a taxable gain upon disposition of the Premium Bond 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 Bonds 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 Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. 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 Bond 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 Bonds 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 Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds 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 Bonds.

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

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the attorney for the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

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

There are currently pending tax certiorari proceedings, the results of which could require the payment of future tax refunds by the District if existing assessment rolls are modified based on the outcome of such proceedings. To the extent that funds are not available in the District's operating budget for the payment of future tax refunds, the District is authorized to issue bonds or notes to fund payment of tax refunds contained in Court-ordered settlements or judgments of tax certiorari proceedings. For the pending tax certiorari proceedings in which settlement terms have been tentatively reached or are under consideration or in which an appraisal analysis has been provided that sets an outward range of potential refund liability, the disposition of such proceedings could potentially produce school tax refund liability between approximately $1,000,000 and $1,500,000. There are other active tax certiorari proceedings, but liability estimates cannot be made at this time in these other pending proceedings due to the absence of appraisal guidance.

CONTINUING DISCLOSURE UNDERTAKING

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 Continuing Disclosure for the Bonds, the form, substantially of which, is attached hereto as "*APPENDIX – C – FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE*".

Historical Compliance

The District is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

On August 1, 2016, the District had an interest payment due and as a result of clerical oversight the payment was not made until August 2, 2016. The District implemented new measures to ensure this oversight will not happen in the future. On August 4, 2016, the District filed a payment delinquency notice to EMMA.

MUNICIPAL ADVISOR

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

RATINGS

Moody's Investors Service ("Moody's") has assigned its rating of "Aa2" to the Bonds. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

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

UNDERWRITING

The Bonds are being purchased by Roosevelt & Cross Incorporated, (the "Underwriter") for reoffering to the public. The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a purchase price equal to $______________ (being the par amount of the Bonds plus a net original issue premium of $______________, less an underwriter's fee for the transaction of $______________). The Underwriter is initially offering the Bonds to the public at the public offering yields indicated on the cover page, but the Underwriter may offer and sell the Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

THE SCHOOL DISTRICT

General Information

The District is located in Westchester County, in the Town of Eastchester (the "Town") and is approximately 20 miles north of mid-town Manhattan. The main north-south artery is New York State Route 22 (White Plains Road). The Hutchinson River Parkway passes to the east of the District and the Bronx River Parkway passes to the west. The District encompasses approximately one-half of the Town of Eastchester and a very small portion of the Village of Tuckahoe. The District consists of a land area of approximately 3.7 square miles. The Lake Isle and Leewood Country Clubs are wholly within the District.

A blend of private residential homes and apartments make up 95% of the District area. Shopping facilities are available locally in regional shopping centers and at nearby White Plains, Yonkers and New Rochelle. The Harlem Division of Metro-North rail service serves residents at the nearby stations at Bronxville, Tuckahoe and Crestwood. Bus service is available to all points in Westchester County and into New York City.

Gas and electric service is provided by Consolidated Edison Company and the New York Power Authority; telephone service by Verizon and various long-distance carriers. Police protection is provided by the Town of Eastchester. Fire protection is provided by Eastchester Fire District. Lawrence Hospital provides health care.

Source: District officials.

Population

The current estimated population of the District is 18,411. (Source: 2018 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2015-2019	2000	2006-2010	2015-2019
Town of:						
Eastchester	$ 49,941	$ 66,589	$ 76,003	$ 103,369	$130,965	$ 168,019
County of:						
Westchester	36,726	47,814	57,049	79,881	100,863	124,670
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2015-2019 American Community Survey data.

Major Employers in District Area

Employer	Location	Approximate # of Employees
Lawrence Hospital	Medical Center	1,800
Eastchester Union Free School District	Educational Services	654
Lord & Taylor	Department Store	450 (1)
Bronxville Union Free School District	Educational Services	260
Town of Eastchester	Municipal Services	234
Tuckahoe School District	Educational Services	220
Concordia College	Educational Services	175
Stop-N-Shop	Supermarket	100
Village of Tuckahoe	Municipal Services	85
Village of Bronxville	Municipal Services	61

(1) Currently in the process of closing all stores and will no longer be in business.

Source: District records and The Town Comptroller's Office and the New York State Department of Labor.

Unemployment Rate Statistics

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

Annual Average

	2013	2014	2015	2016	2017	2018	2019	2020
Westchester County	6.3%	5.1%	4.5%	4.3%	4.5%	3.9%	3.8%	8.4%
New York State	7.7	6.3	5.3	4.8	4.7	4.1	4.0	10.0

2020 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Westchester County	4.0%	3.9%	4.0%	14.1%	11.1%	12.5%	14.2%	11.0%	6.9%	6.8%	5.8%	6.0%
New York State	4.1	3.9	4.2	15.1	14.2	15.5	16.0	12.5	9.3	9.0	8.1	8.1

Note: Unemployment rates for the months of January and February of 2021 are not available as of the date of this Official Statement. Unemployment rates for the foreseeable future are expected to remain substantially higher than prior periods as a result of the COVID-19 pandemic.

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

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education. On the third Tuesday in May each year, an election is held within the District boundaries to elect members to the Board of Education. They are elected for a term of three years.

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

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education 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, Assistant Superintendent of Business and the School District Treasurer.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

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 District to exceed the School District Tax Cap 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 3rd 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 qualified voters on May 21, 2019 by a vote of 364 to 234. The District's adopted budget for the 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 2.12%, which was equal to the District's tax levy limit of 2.12%.

The school district budget vote for the 2020-21 fiscal year was originally scheduled to be held on May 19, 2020, however, annual school budget votes across the State were postponed until June 16, 2020 under an Executive Order from Governor Andrew Cuomo that extended and expanded restrictions aimed at limiting the spread of COVID-19. The qualified voters of the District approved the budget by a vote of 1,507 to 1,176. The District's budget for the 2020-21 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a total tax levy increase of 1.78%, which is equal to the District tax levy limit of 1.78%.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML") and its adopted Investment Policy, the District is generally permitted to deposit moneys in FDIC-insured commercial banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML and the District's Investment Policy.

The District may also temporarily invest moneys in: (1) obligations of the United States of America and; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) repurchase agreements; (4) obligations of New York State or its localities.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments or investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in the custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment. In its adopted budget for the 2020-21 fiscal year, approximately 9.3% 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 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, including closing schools and non-essential businesses. 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; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State's 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 Budget (the "DOB") released its Fiscal Year 2021 Mid-Year State Budget Financial Plan Update (the "Financial Plan"), which projects a $14.9 billion General Fund revenue decline and a 15.3% All Funds tax receipts decline from the Budget forecast released in February, creating a total loss of nearly $63 billion through fiscal year 2024 as a direct consequence of the COVID-19 pandemic. The budget gaps for future years are now projected at $8.7 billion in fiscal year 2022, $9.7 billion in fiscal year 2023, and $9.4 billion in fiscal year 2024. The Financial Plan estimates and projections for each year, including fiscal year 2021, reflect $8 billion in local aid reductions that are expected to be executed pursuant to the budget reduction authority granted to the Budget Director in the Enacted Budget (the "Reduction Authority"). Substantially all such outyear savings are dependent on the Legislature approving the continuation of the Reduction Authority or specific gap-closing actions, or both, in future years. If the U.S. Congress approves substantial new recovery aid to the states and localities, the level of State-planned reductions may be reduced. In the absence of Federal action since enactment of the fiscal year 2021 budget, DOB began withholding 20 percent of most local aid payments in June 2020, pursuant to the withholding authority granted by State legislation enacted in connection with the adoption of the Enacted Budget. It has also imposed a rigorous process for reviewing all planned payments for local aid, agency operations, and capital projects. Through the end of September 2020, DOB estimates that approximately $2.4 billion in local aid payments were not made as budgeted. All or a portion of these budgeted payments may not be made during fiscal year 2021, depending on the size and timing of new Federal aid, if any. Consistent with the Enacted Budget Financial Plan, the State has implemented a hiring freeze and controls on non-personal service and capital commitments and expenditures. It has also deferred, through December 30, 2020, the general salary increases that were scheduled to take effect on April 1, 2020. State agencies have been directed to reduce operating expenditures by 10 percent from the levels authorized in the Enacted Budget Financial Plan.

Source: NYS Dept. Of Education, State Aid Website. This source pertains only to the October 30, 2020 updates detailed in the paragraph 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.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material 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 "*MARKET AND RISK FACTORS*" herein).

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, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid. In the event a mid-year reduction in State aid, a deficiency note may be issued in a restricted amount.

Potential reductions in Federal aid received by the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, 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.

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 2020-21 preliminary building aid ratios, the District expects to receive State building aid of approximately 31.9% of 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.

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 the District.

School district fiscal year (2016-2017): The State 2016-17 Enacted 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.

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.

School district fiscal year (2018-2019): The State 2018-19 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19.

School district fiscal year (2019-2020): The State 2019-2020 Enacted Budget included 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 State 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 is 3.7 percent lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be 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 is expected to total $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides 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 reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorizes 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 and recent releases by the State regarding the projected revenue shortfalls in such budget.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in <u>Campaign for Fiscal Equity v. New York</u> 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 CFE 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.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid.

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2015-2016	$ 80,310,700	$ 5,851,980	7.29%
2016-2017	81,609,299	6,313,881	7.74
2017-2018	83,099,970	6,692,809	8.05
2018-2019	85,322,150	6,979,485	8.18
2019-2020	87,182,079	7,942,918	9.11
2020-2021 (Budgeted)	88,335,000	8,200,000	9.28

[1] General fund only, figures include interfund transfers.

Source: Audited financial statements for the fiscal years 2015-2016 through and including 2019-2020 and the adopted budgets of the District for the 2020-2021 fiscal years. This table is not audited.

District Facilities

The District currently operates the following facilities:

Name	Grades		Student Population
Eastchester High School	9-12		1,030
Eastchester Middle School	6-8		741
Anne Hutchinson Elementary School	2-5		429
Greenvale Elementary School	2-5		529
Waverly School	K-1		455
		Total	3,184

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2016-2017	3,224	2021-2022	3,163
2017-2018	3,268	2022-2023	3,128
2018-2019	3,236	2023-2024	3,120
2019-2020	3,241	2024-2025	3,074
2020-2021	3,184	2025-2026	3,059

Source: District officials.

Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are as follows:

Number of Employees	Bargaining Unit	Contract Expiration Date
32	C.S.E.A. – Custodial Unit	June 30, 2022
35	C.S.E.A. – Support Staff	June 30, 2022
335	Eastchester Teachers' Association & Teachers' Assistants	June 30, 2021
67	School Monitors	June 30, 2021
12	Eastchester Administrators' Association	June 30, 2021

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 current fiscal year as shown below:

Fiscal Year	ERS	TRS
2015-2016	$ 972,232	$ 4,755,767
2016-2017	936,595	4,346,049
2017-2018	925,633	3,692,404
2018-2019	890,864	4,131,603
2019-2020	869,093	3,503,561
2020-2021 (Budgeted)	1,027,000	3,740,000

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 offered early retirement incentives as follows:

Fiscal Year	Staff Participants	Savings
2015-2016	9	$ 500,000
2016-2017	7	420,000
2017-2018	1	5,000
2018-2019	10	633,561
2019-2020	14	1,000,000
2020-2021	3	200,000

Note: The District has offered early retirement incentives for the current fiscal year, but the number of staff participants and savings are not yet known as of the date of this official statement

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:

Year	ERS	TRS
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 annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount.

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. As of the date of this Official Statement, the District has not established such a fund.

Other Post Employee Benefits

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

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

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

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

The District contracted with Questar III BOCES to calculate its first actuarial valuation under GASB 75 for the fiscal years ending June 30, 2019 and 2020. The following outlines the changes to the Total OPEB Liability during the 2019 and 2020 fiscal years, by source.

Balance beginning at:	July 1, 2018	July 1, 2019
	$ 105,776,244	$ 85,435,602
Changes for the year:		
Service cost	4,056,641	3,312,864
Interest	3,261,616	3,063,753
Change in benefit terms	-	-
Differences between expected and actual experience	(11,059,394)	-
Changes in assumptions	(14,358,263)	16,641,069
Benefit payments	(2,241,242)	(2,446,359)
Net Changes	$ (20,340,642)	$ 20,571,327
Balance ending at:	June 30, 2019	June 30, 2020
	$ 85,435,602	**$ 106,006,929**

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

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

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

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 recent 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 Bonds are to be issued is the Education Law and 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.

Other than as set forth in "Estimated Overlapping Indebtedness" herein, 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". The audit report covering the period ending June 30, 2020 is unavailable as of the date of this Official Statement. In addition, 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. 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 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.

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.

The NYS Comptroller's office released an audit report of the District on June 24, 2016. The purpose of the audit was to evaluate the Board's management of the District's financial affairs for the period July 1, 2010 through November 6, 2015.

Key Findings:

- Budgets did not include estimated amounts for refunds of real property taxes or amounts to fund them.
- District officials issued debt to pay for refunds of real property taxes.
- The District does not have a written, comprehensive multiyear financial plan for operating expenditures.

Key Recommendations:

- Ensure that all estimated appropriations and revenues are in the budget.
- Consider using budgeted appropriations and available fund balance as financing sources for expenditures for the refund of real property taxes instead of issuing debt.
- Develop a comprehensive multiyear financial plan, and monitor and update the plan on an ongoing basis.

The District provided a complete response to the NYS Comptroller's office on May 13, 2016. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the past three years for the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2019	No Designation	8.3
2018	No Designation	3.3
2017	No Designation	0.0

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

Note: Reference to website implies no warranty of accuracy of information therein.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Total Assessed Values	$ 51,873,954	$ 50,433,479	$ 50,770,235	$ 50,502,229	$ 50,045,400
State Equalization Rates	1.22%	1.17%	1.13%	1.11%	1.13%
Total Taxable Full Valuation	$ 4,251,963,443	$ 4,310,553,761	$ 4,492,941,150	$ 4,549,750,360	$ 4,428,796,460

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Town of Eastchester	$ 1,366.66	$ 1,428.22	$ 1,447.27	$ 1,494.26	$ 1,525.99

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. The second half is due and payable without penalty during the month of January. Beginning October 1st and February 1st respectively, and continuing each month until paid, the penalty added to delinquent taxes is one twelfth the rate of interest determined by the State Commissioner of Taxation and Finance. This rate is determined each year by July 15th based on the one-year constant maturity yield index for the United States Treasury securities for the quarter-year ending on the immediately preceding June 30th. The rate is effective for a twelve-month period commencing November 1st each year and in no event will be less than ten per centum per annum.

In Westchester County, school taxes are collected by the towns which are obligated to pay to the school districts the amount of taxes collected no later than the fifth day of the month after the month collected. All tax monies due to the District are to be paid in full, no later than April 30th, whether collected or not.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Total Tax Levy	$ 70,903,000	$ 72,049,000	$ 73,485,000	$ 75,043,000	$ 76,380,000
Amount Uncollected (1)	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

(1) The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the below five completed fiscal years and the budgeted figures for the current fiscal year comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Property Tax Levy & Other Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes
2015-2016	$ 80,310,700	$ 70,757,831	88.11%
2016-2017	81,609,299	71,900,084	88.10
2017-2018	83,099,970	73,089,216	87.95
2018-2019	85,322,150	74,590,984	87.42
2019-2020	87,182,079	76,484,618	87.73
2020-2021 (Budgeted)	88,335,000 (1)	76,380,000	86.47

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

Source: Audited financial statements for the 2015-16 through 2019-20 fiscal years, and the adopted budget for the 2020-21 fiscal year. This table is not audited.

Ten Largest Taxpayers – 2020 Assessment Roll for 2020-21 School District Tax Roll

Name	Type	Taxable Assessed Valuation
Con Edison Co. of New York	Utility	$ 2,269,539
Suez Water Westchester	Water & Waste Recycling Services	1,070,203
Westchester Village	Shopping Center	1,042,700
Interlaken Owners, Inc.	Apartments/Co-op.	924,601
230 Garth Road Owners, Inc.	Apartments/Co-op.	702,337
Scarsdale Manor Owners	Apartments/Co-op.	470,552
Garth Woods Owners	Apartments/Co-op.	390,484
281 Scarsdale Corp.	Apartments/Co-op.	352,850
Vernon Associates	Commercial	338,800
142 Garth Road Owners	Apartments/Co-op.	300,152

The ten larger taxpayers listed above have a total taxable assessed valuation of $7,862,218, which represents 15.7% of the tax base of the District for the 2019-2020 fiscal year.

The District has certain pending tax certiorari proceedings. See “LITIGATION” herein regarding pending tax certiorari cases. As of December 26, 2020, the balance in the District’s Tax Certiorari Reserve Fund was $1,073,778.

Sources: School District Tax Rolls and District officials.

Sales Tax Revenue

The following table illustrates the sales tax revenue as recorded by the District for each of the last five completed fiscal years:

Fiscal year ending	Amount
2016	$ 991,909
2017	997,085
2018	1,063,656
2019	1,085,692
2020	1,438,477
2021 (Budgeted)	1,300,000

Note: During the development of the 2020-2021 budget, reductions in both County Sales Tax and interest income revenues have been budgeted as a result of the COVID-19 pandemic.

Sources: School District officials.

STAR – School Tax Exemption

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

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 $88,050 or less for 2020 benefits and $90,550 or less for 2021 benefits, 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 $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a "full value" exemption on their primary residence.

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

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

The 2020-21 Enacted State Budget requires that STAR benefits be withheld from taxpayers who are delinquent in the payment of their school taxes and lowers the income limit for the exemption to $200,000, compared with a $500,000 limit for the credit.

The below table lists the basic and enhanced exemption amounts for the 2019-20 District tax roll for the municipalities applicable to the District:

Town of:	Enhanced Exemption	Basic Exemption	Date Certified
Eastchester	$ 2,100	$ 900	10/23/2019

$7,158,559 of the District's $75,043,000 school tax levy for the 2019-20 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2020.

$6,398,926 of the District's $76,380,000 school tax levy for 2020-21 was exempted by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State in January 2021.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-70%, Commercial-30%.

The estimated total annual property tax bill of a $748,345 average market value residential property located in the District is approximately $20,195 including County, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

Chapter 97 of the New York 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 could either have presented a revised budget for voter approval or adopted 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 and the refinancing or refunding of such bonds or notes (such as the Bonds), 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.

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 Bonds:

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

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

<u>Payment and Maturity</u>. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness is 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. Except in certain circumstances, the District complies with such procedure. The District has complied with such procedure with respect to the Bonds.

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 Bonds. However, such finance board may delegate the power to sell the Bonds to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2016	2017	2018	2019	2020
Bonds	$ 30,540,949	$ 30,340,000	$ 23,755,000	$ 47,795,000	$ 44,475,000
Bond Anticipation Notes	0	6,055,000	23,000,000	0	0
Tax Anticipation Notes	0	0	0	0	0
Other Debt (1)	5,306,899	4,951,682	4,582,612	4,199,148	3,800,729
Total Debt Outstanding	$ 35,847,848	$ 41,346,682	$ 51,337,612	$ 51,994,148	$ 48,275,729

(1) Represents an Energy Performance Contract (EPC). EPCs do not count towards the District's debt limit. See "Installment Purchase Debt" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of March 2, 2021.

Type of Indebtedness	Maturity	Amount
Bonds	2021-2039	$ 42,190,000
Bond Anticipation Notes	-	0
	Total Indebtedness	$ 42,190,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of March 2, 2021:

Full Valuation of Taxable Real Property			$ 4,428,796,460
Debt Limit 10% thereof			442,879,646
Inclusions:			
Bonds [1]	$ 42,190,000		
Bond Anticipation Notes	0		
Total Inclusions		$ 42,190,000	
Exclusions:			
State Building Aid [2]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 42,190,000
Net Debt-Contracting Margin			$ 400,689,646
The percent of debt contracting power exhausted is			9.53%

(1) The Bonds listed above include $7,175,000 outstanding serial bonds expected to be refunded with the proceeds of the Bonds.

(1) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2020-21 Building Aid Ratios, the School District anticipates State building aid of 31.9% for debt service on SED approved expenditures from July 1, 2004 to the present. The School 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 School District will receive in relation to its capital project indebtedness.

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

Bonded Debt Service

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

Revenue and Tax Anticipation Notes

The District has not issued tax anticipation notes since the 2016-2017 fiscal years and does not anticipate issuing tax anticipation notes for the foreseeable future. The District historically does not issue revenue anticipation notes.

Capital Project Plans

The Board of Education is considering a capital project in the amount of $19.6 million for safety and security improvements through technology and active security measures presenting a project to voters for security upgrades. The District planned to ask the voters for approval of the project on March 24, 2020, however, due to the COVID – 19 pandemic, the vote has been postponed. As of the date of this Official Statement, the District is unsure if and when the project will be reconsidered.

Other than as stated above, the District currently has no other authorized and unissued indebtedness for capital or other purposes.

Lease Purchase Agreements

The District has entered into a 5-year lease purchase agreement on August 28, 2018 to acquire fitness center equipment. The total cost of the equipment is $100,000, and the annual payments are $23,000. The funding was provided in the 2019-2020 budgets and will be included in future budgets. The final payment will take place on August 1, 2023.

Installment Purchase Debt

At June 30, 2020, the District had installment purchase debt of $3,800,729. The debt is related to the Energy Performance Contract issued on June 15, 2012 at an interest rate of 2.203%. The debt matures in fiscal year 2028.

The following is a summary of installment purchase maturing debt service requirements:

Fiscal Year Ending	Principal	Interest	Total
2021	$ 413,957	$ 83,730	$ 497,687
2022	430,101	74,611	504,712
2023	446,875	65,135	512,010
2024	464,304	55,291	519,595
2025-2028	2,045,492	114,810	2,160,302
TOTAL	$ 3,800,729	$ 393,577	$ 4,194,306

Source: District Officials. The above table is unaudited.

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 respective municipalities.

Municipality	Status of Debt as of	Gross Indebtedness [(1)]	Exclusions [(2)]	Net Indebtedness	District Share	Net Overlapping Indebtedness
County of:						
Westchester	12/31/2018	$ 1,461,209,748	$ 586,465,256	$ 874,744,492	2.44%	$ 21,343,766
Town of:						
Eastchester	12/31/2018	14,786,840	-	14,786,840	72.92%	10,782,564
Village of:						
Tuckahoe	5/31/2019	6,424,208	-	6,424,208	100.00%	6,424,208
					Total:	$ 38,550,537

(1) Bonds and bond anticipation notes. Not adjusted to include subsequent bond 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 2018 and 2019.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of March 2, 2021:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 42,190,000	$ 2,291.56	0.95%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	80,740,537	4,385.45	1.82

[a] The 2018 estimated population of the District is 18,411. (See “THE SCHOOL DISTRICT - Population” herein.)

[b] The District's full value of taxable real estate for the 2020-21 tax roll is $4,428,796,460. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)

[c] See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.

[d] The District’s applicable share of Net Overlapping Indebtedness is estimated to be $34,784,288. (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.

MISCELLANEOUS

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

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 Bonds.

Neither Hawkins Delafield & Wood, LLP, New York, New York, Bond Counsel to the District, nor Orrick, Herrington & Sutcliffe, LLP, Bond Counsel to the underwriter, express no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

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.

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

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

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

The School District will act as Paying Agent for the Bonds. The School District contact information is as follows: Ms. Lisa Sanfilippo, CPA, Assistant Superintendent of Business, 580 White Plains Road, White Plains, New York 10709, phone: (914) 793-6130 x 4205, fax: (914) 395-0299, email address: lsanfilippo@eufsdk12.org.

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

EASTCHESTER UNION FREE SCHOOL DISTRICT

Dated: March ___, 2021

ROBERT SUMMER
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2016	2017	2018	2019	2020
ASSETS					
Unrestricted Cash	$ 8,516,707	$ 7,888,945	$ 6,659,871	$ 7,422,901	$ 8,434,463
Restricted Cash	5,172,904	4,862,080	6,067,136	3,803,851	2,753,559
State and Federal Aid Receivable	-	891,639	881,028	1,007,600	1,116,333
Due from Other Governments	1,554,838	1,062,074	974,562	469,258	1,759,393
Due from Other Funds	1,092,242	686,128	1,232,484	1,019,130	1,196,900
Due from Fiduciary Funds	-	-	-	-	-
Other Receivables	5,389	7,396	14,760	17,271	16,458
Deferred Expenditures	-	-	-	-	-
TOTAL ASSETS	$ 16,342,080	$ 15,398,262	$ 15,829,841	$ 13,740,011	$ 15,277,106
LIABILITES AND FUND EQUITY					
Accounts Payable	$ 426,852	$ 736,903	$ 676,681	$ 466,440	$ 614,746
Accrued Liabilities	865,669	618,554	518,281	646,052	517,511
Tax Anticipation Notes	-	-	-	-	-
Due to Other Governments	192,282	65,565	480,438	38,546	44,272
Due to Other Funds	-	6,291	283,901	55,212	1,560,550
Due to Teachers' Retirement System	5,010,813	4,611,783	3,945,068	4,404,578	3,794,253
Due to Employees' Retirement System	268,697	257,492	259,372	254,861	233,450
Compensated Absences	219,923	300,970	301,036	389,141	515,448
Collections in advance	-	91,089	98,100	78,939	172,188
Deferred Revenue	-	-	-	-	131,636
TOTAL LIABILITIES	6,984,236	6,688,647	6,562,877	6,333,769	7,584,054
FUND EQUITY					
Restricted	$ 5,172,904	$ 4,444,056	$ 5,371,502	$ 3,385,827	$ 2,168,754
Assigned	902,937	923,162	466,233	641,124	560,569
Unassigned	3,282,003	3,342,397	3,429,319	3,379,291	4,963,729
TOTAL FUND EQUITY	9,357,844	8,709,615	9,267,054	7,406,242	7,693,052
TOTAL LIABILITES and FUND EQUITY	$ 16,342,080	$ 15,398,262	$ 15,829,931	$ 13,740,011	$ 15,277,106

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:	2016	2017	2018	2019	2020
REVENUES					
Real Property Taxes	$ 60,417,739	$ 61,795,243	$ 63,176,543	$ 65,173,356	$ 67,884,439
Other Tax Items	10,340,092	10,104,841	9,912,673	9,417,628	8,600,179
Charges for Services	3,177,162	3,032,875	2,842,113	2,716,725	2,306,049
Use of Money & Property	93,235	78,086	154,959	397,447	222,559
Sale of Property and Compensation for Loss	-	281,354	66,457	41,690	78,394
Miscellaneous	407,323	-	254,416	318,209	147,541
Revenues from State Sources	5,851,980	6,313,881	6,692,809	6,979,485	7,942,918
Revenues from Federal Sources	23,169	3,019	-	-	-
Total Revenues	$ 80,310,700	$ 81,609,299	$ 83,099,970	$ 85,044,540	$ 87,182,079
Other Sources:					
Proceeds from Debt	-	-	-	-	-
Operating Transfers (In)	-	-	-	277,610	-
Total Revenues and Other Sources	80,310,700	81,609,299	83,099,970	85,322,150	87,182,079
EXPENDITURES					
General Support	$ 7,924,457	$ 8,642,266	$ 8,914,103	$ 10,443,407	$ 9,770,178
Instruction	43,525,548	45,147,093	45,738,402	46,921,590	48,018,780
Pupil Transportation	2,975,877	3,319,251	3,072,620	3,320,022	2,926,868
Community Services	15,178	16,725	12,090	28,129	-
Employee Benefits	17,753,455	17,941,471	17,769,525	18,802,003	18,730,683
Debt Service	5,161,985	5,048,690	4,411,449	4,661,969	5,744,042
Total Expenditures	$ 77,356,500	$ 80,115,496	$ 79,918,189	$ 84,177,120	$ 85,190,551
Other Uses:					
Operating Transfers (Out)	800,695	2,142,032	2,624,342	3,005,842	1,704,718
Total Expenditures and Other Uses	78,157,195	82,257,528	82,542,531	87,182,962	86,895,269
Excess (Deficit) Revenues Over Expenditures	2,153,505	(648,229)	557,439	(1,860,812)	286,810
FUND BALANCE					
Fund Balance - Beginning of Year	7,204,339	9,357,844	8,709,615	9,267,054	7,406,242
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 9,357,844	$ 8,709,615	$ 9,267,054	$ 7,406,242	$ 7,693,052

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget

Fiscal Years Ending June 30:	2020 Adopted Budget	2020 Modified Budget	2020 Audited Actual	2021 Adopted Budget
REVENUES				
Real Property Taxes	$ 67,884,441	$ 67,884,441	$ 67,884,439	$ 76,380,000
Other Tax Items	8,658,559	8,658,559	8,600,179	1,300,000
Charges for Services	2,105,000	2,105,000	2,306,049	1,900,000
Use of Money & Property	300,000	300,000	222,559	50,000
Sale of Property and Compensation for Loss	-	-	78,394	-
Miscellaneous	255,000	255,000	147,541	505,000
Revenues from State Sources	7,900,000	7,900,000	7,942,918	8,200,000
Revenues from Federal Sources	-	-	-	-
Total Revenues	$ 87,103,000	$ 87,103,000	$ 87,182,079	$ 88,335,000
Other Sources:				
Proceeds from Debt	-	-	-	-
Operating Transfers (In)	-	-	-	-
Total Revenues and Other Sources	87,103,000	87,103,000	87,182,079	88,335,000
EXPENDITURES				
General Support	$ 9,320,301	$ 10,123,495	$ 9,770,178	$ 10,044,691
Instruction	48,503,042	48,968,587	48,018,780	48,871,598
Pupil Transportation	3,479,918	3,332,043	2,926,868	3,498,986
Community Service	-	-	-	-
Employee Benefits	18,996,819	19,122,087	18,730,683	19,119,216
Debt Service	5,744,044	5,744,044	5,744,042	7,100,509
Total Expenditures	$ 86,044,124	$ 87,290,256	$ 85,190,551	$ 88,635,000
Other Uses:				
Operating Transfers (Out)	1,700,000	1,704,800	1,704,718	200,000
Total Expenditures and Other Uses	87,744,124	88,995,056	86,895,269	88,835,000
Excess (Deficit) Revenues Over Expenditures	(641,124)	(1,892,056)	286,810	(500,000)
FUND BALANCE				
Fund Balance - Beginning of Year	641,124	1,892,056	7,406,242	500,000
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 7,693,052	$ -

Source: Adopted budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	PRIOR TO REFUNDING			REFUNDED BONDS DEBT SERVICE	REFUNDING BONDS			TOTAL NEW DEBT SERVICE
	Principal	Interest	Total		Principal	Interest	Total	
2021	$ 2,880,000	$ 1,346,468.06	$ 4,226,468.06	$ -	$ -	$ -	$ -	$ 4,226,468.06
2022	3,610,000	1,308,143.75	4,918,143.75	-	-	-	-	4,918,143.75
2023	3,625,000	1,188,781.25	4,813,781.25	-	-	-	-	4,813,781.25
2024	2,470,000	1,085,375.00	3,555,375.00	-	-	-	-	3,555,375.00
2025	2,305,000	1,008,643.75	3,313,643.75	-	-	-	-	3,313,643.75
2026	2,270,000	933,756.25	3,203,756.25	-	-	-	-	3,203,756.25
2027	2,340,000	858,987.50	3,198,987.50	-	-	-	-	3,198,987.50
2028	2,420,000	781,312.50	3,201,312.50	-	-	-	-	3,201,312.50
2029	2,200,000	698,087.50	2,898,087.50	-	-	-	-	2,898,087.50
2030	2,110,000	624,237.50	2,734,237.50	-	-	-	-	2,734,237.50
2031	2,185,000	552,712.50	2,737,712.50	-	-	-	-	2,737,712.50
2032	2,255,000	478,712.50	2,733,712.50	-	-	-	-	2,733,712.50
2033	2,155,000	405,737.50	2,560,737.50	-	-	-	-	2,560,737.50
2034	2,230,000	331,806.25	2,561,806.25	-	-	-	-	2,561,806.25
2035	1,595,000	253,381.25	1,848,381.25					1,848,381.25
2036	1,645,000	200,731.25	1,845,731.25					1,845,731.25
2037	1,700,000	145,312.50	1,845,312.50					1,845,312.50
2038	1,760,000	86,925.00	1,846,925.00					1,846,925.00
2039	1,635,000	28,612.50	1,663,612.50	-	-	-	-	1,663,612.50
TOTALS	$ 43,390,000	$ 12,317,724.31	$ 55,707,724.31	$ -	$ -	$ -	$ -	$ 46,657,761.81

Note: The totals above do not include Energy Performace Contracts.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2011 Payment of Real Property Tax Refunds			2012 B Payment of Real Property Tax Refunds		
	Principal	Interest	Total	Principal	Interest	Total
2021	$ 145,000	$ 4,894	$ 149,894	$ 80,000	$ 3,900	$ 83,900
2022	-	-	-	80,000	2,000	82,000
2023	-	-	-	-	-	-
TOTALS	$ 145,000	$ 4,894	$ 149,894	$ 160,000	$ 5,900	$ 165,900

Fiscal Year Ending June 30th	2013 A Construction of the Middle School			2013 B Payment of Real Property Tax Refunds		
	Principal	Interest	Total	Principal	Interest	Total
2021	$ 435,000	$ 276,769	$ 711,769	$ 175,000	$ 16,950	$ 191,950
2022	450,000	263,719	713,719	190,000	11,700	201,700
2023	460,000	250,219	710,219	200,000	6,000	206,000
2024	475,000	236,419	711,419	-	-	-
2025	490,000	222,169	712,169	-	-	-
2026	505,000	206,244	711,244	-	-	-
2027	520,000	189,200	709,200	-	-	-
2028	540,000	171,000	711,000	-	-	-
2029	560,000	149,400	709,400	-	-	-
2030	585,000	127,000	712,000	-	-	-
2031	610,000	103,600	713,600	-	-	-
2032	635,000	79,200	714,200	-	-	-
2033	660,000	53,800	713,800	-	-	-
2034	685,000	27,400	712,400	-	-	-
TOTALS	$ 7,610,000	$ 2,356,138	$ 9,966,138	$ 565,000	$ 34,650	$ 599,650

Fiscal Year Ending June 30th	2014 Construction & Real Property Tax Refunds			2015 Payment of Real Property Tax Refunds		
	Principal	Interest	Total	Principal	Interest	Total
2021	$ 345,000	$ 54,788	$ 399,788	$ 100,000	$ 15,250	$ 115,250
2022	355,000	47,888	402,888	100,000	12,625	112,625
2023	365,000	39,900	404,900	105,000	9,875	114,875
2024	370,000	31,688	401,688	105,000	6,856	111,856
2025	145,000	22,438	167,438	110,000	3,575	113,575
2026	150,000	18,450	168,450	-	-	-
2027	150,000	13,950	163,950	-	-	-
2028	155,000	9,450	164,450	-	-	-
2029	160,000	4,800	164,800	-	-	-
TOTALS	$ 2,195,000	$ 243,350	$ 2,438,350	$ 520,000	$ 48,181	$ 568,181

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2016 A Refunding of 2008 Principal	Interest	Total	2016 B Refunding of 2009 Principal	Interest	Total
2021	$ 165,000	$ 18,350	$ 183,350	$ 235,000	$ 83,400	$ 318,400
2022	165,000	13,400	178,400	240,000	74,000	314,000
2023	170,000	6,800	176,800	250,000	64,400	314,400
2024	-	-	-	255,000	54,400	309,400
2025	-	-	-	260,000	44,200	304,200
2026	-	-	-	270,000	33,800	303,800
2027	-	-	-	280,000	23,000	303,000
2028	-	-	-	295,000	11,800	306,800
TOTALS	$ 500,000	$ 38,550	$ 538,550	$ 2,085,000	$ 389,000	$ 2,474,000

Fiscal Year Ending June 30th	2018 Captial Project - High School Principal	Interest	Total	2020 Refunding of 2010 and 2012 Bonds Principal	Interest	Total
2021	$ 1,040,000	$ 803,063	$ 1,843,063	$ 160,000	$ 69,106	$ 229,106
2022	1,070,000	771,413	1,841,413	960,000	111,400	1,071,400
2023	1,105,000	738,788	1,843,788	970,000	72,800	1,042,800
2024	1,140,000	705,113	1,845,113	125,000	50,900	175,900
2025	1,170,000	670,463	1,840,463	130,000	45,800	175,800
2026	1,210,000	634,763	1,844,763	135,000	40,500	175,500
2027	1,245,000	597,938	1,842,938	145,000	34,900	179,900
2028	1,280,000	560,063	1,840,063	150,000	29,000	179,000
2029	1,325,000	520,988	1,845,988	155,000	22,900	177,900
2030	1,365,000	480,638	1,845,638	160,000	16,600	176,600
2031	1,410,000	439,013	1,849,013	165,000	10,100	175,100
2032	1,450,000	396,113	1,846,113	170,000	3,400	173,400
2033	1,495,000	351,938	1,846,938	-	-	-
2034	1,545,000	304,406	1,849,406	-	-	-
2035	1,595,000	253,381	1,848,381	-	-	-
2036	1,645,000	200,731	1,845,731	-	-	-
2037	1,700,000	145,313	1,845,313	-	-	-
2038	1,760,000	86,925	1,846,925	-	-	-
2039	1,635,000	28,613	1,663,613	-	-	-
TOTALS	$ 26,185,000	$ 8,689,656	$ 34,874,656	$ 3,425,000	$ 507,406	$ 3,932,406

FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

"Annual Information" shall mean the information specified in Section 3 hereof.

"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 Eastchester Union Free School District, in the County of Westchester, a school district of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

"Purchaser" shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of March 3, 2021.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

"Securities" shall mean the Issuer's **$6,545,000 School District Refunding Serial Bonds – 2021**, dated March 30, 2021, maturing in various principal amounts on June 15 in each of the years 2021 to 2034, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the EMMA System:

(i) no later than six (6) months following the end of each fiscal year, commencing with the fiscal year ending June 30, 2021, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information no later than six (6) months following the end of each fiscal year, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of 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 Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

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

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(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 material event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings: "THE SCHOOL DISTRICT," "TAX INFORMATION," "STATUS OF INDEBTEDNESS," and "LITIGATION" and in Appendix A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with New York State regulatory requirements or GAAP as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm.

Section 5. 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 6. 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 7. 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 modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(f) 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 7 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 8. 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 pursuant to 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.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. 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 10. 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 **March 30, 2021**.

EASTCHESTER UNION FREE SCHOOL DISTRICT

By____

President of the Board of Education
and Chief Fiscal Officer

EASTCHESTER UNION FREE SCHOOL DISTRICT

WESTCHESTER COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2020

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

EASTCHESTER UNION FREE SCHOOL DISTRICT

TABLE OF CONTENTS

I. INDEPENDENT AUDITOR'S REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS AND BASIC FINANCIAL STATEMENTS

II. REQUIRED SUPPLEMENTARY INFORMATION

III. OTHER SUPPLEMENTARY INFORMATION

IV. INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Robert S. Abrams
(1926–2014)

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

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Eastchester Union Free School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the fiduciary funds of the Eastchester Union Free School District as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the fiduciary funds of the Eastchester Union Free School District as of June 30, 2020, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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www.rsabrams.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total OPEB liability, schedule of District's proportionate share of the net pension liability, and the schedule of District's contributions on pages 3 through 16 and 59 through 63 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The other supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2020, on our consideration of the Eastchester Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Eastchester Union Free 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 Eastchester Union Free School District's internal control over financial reporting and compliance.

R S Abrams + Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
September 29, 2020

EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The following is a discussion and analysis of the Eastchester Union Free School District's (the "District") financial performance for the fiscal year ended June 30, 2020. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- The District's total net position (deficit), as reflected in the District-Wide Financial Statements was ($64,313,680) as of June 30, 2020. This was due to an excess of expenses over revenues based on the accrual basis of accounting.

- The District received $1,119,308 in federal and state grants to support instructional programs and $56,945 to support transportation services.

- General fund state aid revenue increased by $963,443 or 13.80% during the year.

- The total fund balance in the general fund, including restricted, assigned and unassigned balances was $7,693,052 as of June 30, 2020. This represented an increase of $286,810 from the prior year fund balance of $7,406,242. This was due to an excess of revenues over expenditures and other financing uses based on the modified accrual basis of accounting.

- On March 11, 2020, the World Health Organization declared coronavirus (COVID-19) disease as a global pandemic. Schools, along with all but essential businesses, were ordered closed by the State of New York, and remote learning was conducted for the remainder of the school year. The closure of schools resulted in some areas of savings primarily in the area of transportation, but also included unforeseen expenses such as personal protective equipment and cleaning of buildings.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

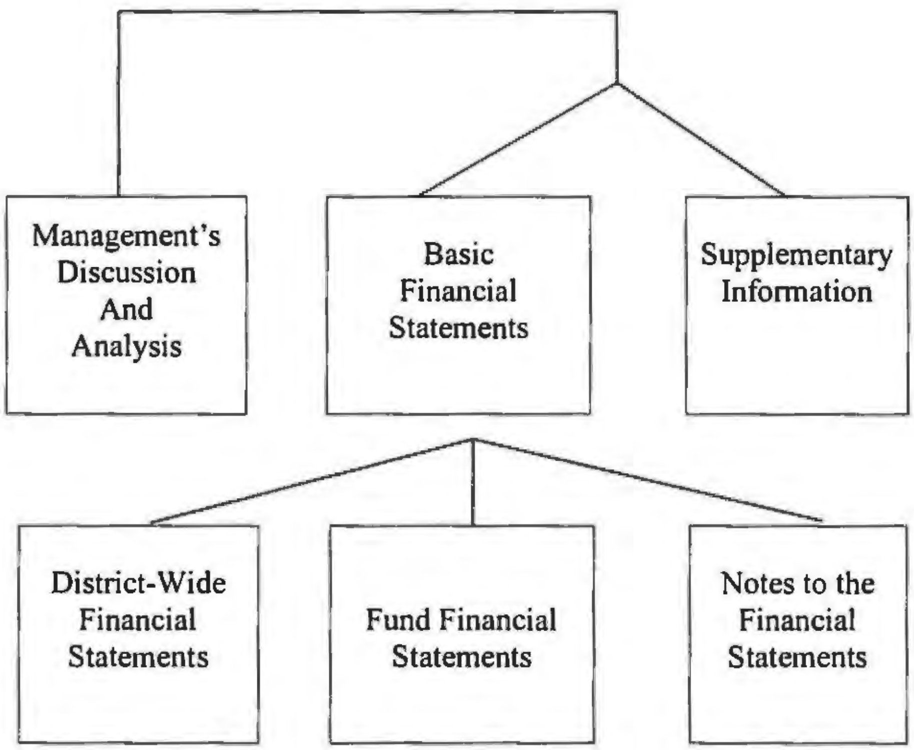
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.

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

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

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

Organization of the District's Annual Financial Report



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

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

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

A) District-Wide Financial Statements:

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

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

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

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

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

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

B) <u>Fund Financial Statements:</u>

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

The District has two kinds of funds:

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

- *Fiduciary funds*: The District is the trustee or *fiduciary* for assets that belong to others, such as scholarship funds and student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-Wide Financial Statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position:

The District's net deficit increased by $4,333,512 in the fiscal year ended June 30, 2020 as detailed in the table that follows.

Condensed Statement of Net Position

	Fiscal Year 2020	Fiscal Year 2019	Change	Total Percentage Change
Current assets	$15,723,707	$16,747,695	($1,023,988)	-6.11%
Capital assets	77,033,101	76,700,319	332,782	0.43%
Net pension asset -proportionate share	6,084,808	4,214,598	1,870,210	44.37%
Total Assets	98,841,616	97,662,612	1,179,004	1.21%
Deferred outflows of resources	37,627,516	23,695,199	13,932,317	58.80%
Total assets and deferred outflows of resources	136,469,132	121,357,811	15,111,321	12.45%
Current liabilities	6,987,328	7,624,012	(636,684)	-8.35%
Long-term liabilities	165,904,015	145,278,572	20,625,443	14.20%
Total Liabilities	172,891,343	152,902,584	19,988,759	13.07%
Deferred inflows of resources	27,891,469	28,435,395	(543,926)	-1.91%
Total liabilities and deferred inflows of resources	200,782,812	181,337,979	19,444,833	10.72%
Net position (deficit)				
Net investment in capital assets	31,271,250	28,170,344	3,100,906	11.01%
Restricted	2,753,559	3,970,632	(1,217,073)	-30.65%
Unrestricted (deficit)	(98,338,489)	(92,121,144)	(6,217,345)	6.75%
Total Net Position (Deficit)	($64,313,680)	($59,980,168)	($4,333,512)	7.22%

Current assets decreased by $1,023,988 from 2019 to 2020. This change is primarily related to a decrease in cash in the capital projects fund partially offset by an increase in state and federal aid receivable and due from other governments. Capital assets (net of depreciation) increased $332,782 primarily due to the various ongoing construction projects offset by current year depreciation. The District reported a net pension asset - proportionate share for the teachers' retirement system in the amount of $6,084,808 as a result of the actuarial valuation provided by the State. The change in deferred outflows of resources represents amortization of the pension related items and the change in the District's contributions subsequent to the measurement date, as discussed in Note 14, changes in assumptions or other inputs for other post-employment benefits, as discussed in Note 16, as well as amortization on the deferred charges on refunding as discussed in Note 13.

Current liabilities decreased by $636,684. This is primarily due to the decrease in the amount due to the teachers' retirement system. Long-term liabilities increased by $20,625,443 which was due primarily to the increase in the net pension liability and total other post-employment benefits obligation offset by current year principal payments on debt. The changes in deferred inflows represent amortization of pension related items as discussed in Note 14, as well as deferred inflows related to the other post-employment benefits obligation as discussed in Note 16.

The net investment in capital assets relates to the investment in capital assets at cost such as land, construction in progress, buildings & improvements, and furniture & equipment, net of depreciation and related debt. This number increased from the prior year by $3,100,906 primarily due to building and building improvement additions of $1,414,263, furniture and equipment additions of $243,684 and construction in progress additions of $1,387,029, current year bond, and energy performance principal payments and deferred amounts on refunding offset by the current year depreciation.

The restricted net position at June 30, 2020, relates to the District's reserve funds established for specific purposes. Restricted net position decreased by $1,217,073. This was the result of the District paying refunds on tax certiorari judgements in the amount of $682,352 and compensated absences in the amount of $568,580, offset by interest allocated to the reserves of $33,859.

The unrestricted net deficit at June 30, 2020 of $98,338,489 relates to the balance of the District's net position. The unrestricted net deficit increased by $6,217,345.

B) Changes in Net Position:

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2020 and 2019 are as follows:

Change in Net Position from Operating Results

	Fiscal Year 2020	Fiscal Year 2019	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	$3,010,012	$3,754,973	($744,961)	-19.84%
Operating grants	1,176,253	1,349,996	(173,743)	-12.87%
General Revenues				
Real property taxes and other tax items	76,484,618	74,590,984	1,893,634	2.54%
Use of money and property	222,726	397,684	(174,958)	-43.99%
Sale of property & compensation for loss	78,394	41,690	36,704	88.04%
Miscellaneous	147,566	485,040	(337,474)	-69.58%
State sources	8,074,554	6,979,485	1,095,069	15.69%
Total Revenues	$89,194,123	$87,599,852	$1,594,271	1.82%
Expenses				
General support	$13,947,779	$12,828,737	$1,119,042	8.72%
Instruction	74,258,150	67,341,401	6,916,749	10.27%
Pupil transportation	3,145,455	3,458,533	(313,078)	-9.05%
Food service program	774,289	1,053,038	(278,749)	-26.47%
Community service	-	40,330	(40,330)	-100.00%
Debt service - interest	1,401,962	1,973,521	(571,559)	-28.96%
Total Expenses	$93,527,635	$86,695,560	$6,832,075	7.88%
Total Change in Net Position	($4,333,512)	$904,292	($5,237,804)	-579.22%

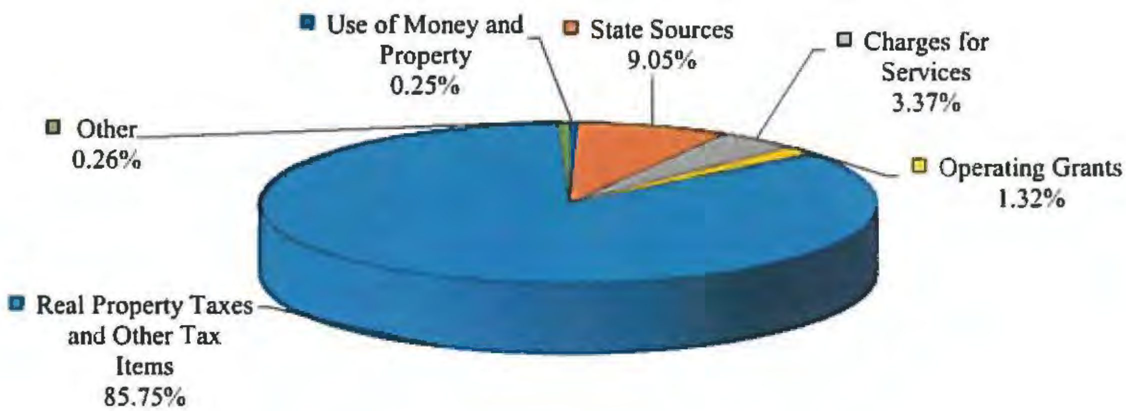
The District's fiscal year 2020 revenues totaled $89,194,123. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 85.75% and 9.05%, respectively of total revenue. The remainder came from fees charged for services, operating grants, use of money and property, and other miscellaneous sources. Total revenues increased by $1,594,271 or 1.82%. This was primarily attributable to an increase in real property taxes and other tax items, and state sources. The increase in state sources was due to the District receiving increased general aid.

The cost of all programs and services totaled $93,527,635 for fiscal year 2020. These expenses are predominantly related to instruction, which account for 79.40% of District expenses. The District's general support activities accounted for 14.91% of total costs. Total expenses increased by $6,832,075 or 7.88%. This was primarily attributable to the changes in pension and post-employment benefit liabilities and related deferred items, as actuarially determined.
The users of the District's programs financed $3,010,012 of the cost.

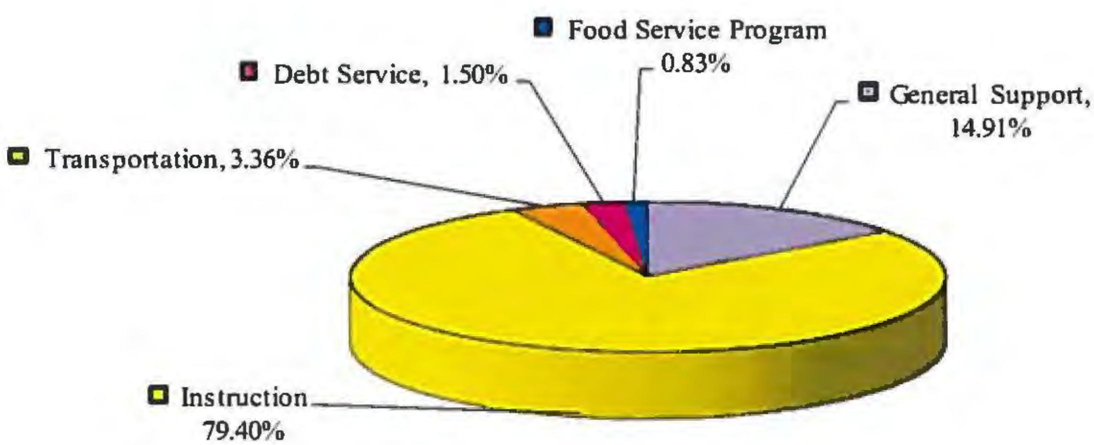
The federal and state governments subsidized certain programs with operating grants of $1,176,253 which represents a 12.87% decrease from the prior year.

Most of the District's net costs of $89,341,370 were financed by District taxpayers and state sources.

Revenues for Fiscal Year 2020



Expenditures for Fiscal Year 2020



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As of June 30, 2020, the District's combined governmental funds reported a total fund balance of $8,755,114 which is a decrease of $1,077,896 from the prior year.

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

	Fiscal Year 2020	Fiscal Year 2019	Increase/ (Decrease)	Total Percentage Change
General Fund				
Restricted for capital	$44,367	$43,928	$439	1.00%
Restricted for property loss	56,029	55,474	555	1.00%
Restricted for liability	22,989	22,761	228	1.00%
Restricted tax certiorari	1,073,778	1,738,743	(664,965)	-38.24%
Restricted for employee benefit accrued liability	717,516	1,273,362	(555,846)	-43.65%
Restricted for debt service	254,075	251,559	2,516	1.00%
Assigned - subsequent year's tax levy	500,000	500,000	-	0.00%
Assigned - encumbrances	60,569	141,124	(80,555)	-57.08%
Unassigned	4,963,729	3,379,291	1,584,438	46.89%
Total Fund Balance - General Fund	$7,693,052	$7,406,242	$286,810	3.87%
School Lunch Fund				
Assigned - unappropriated	$22,504	$85,918	($63,414)	-73.81%
Total - School Lunch Fund	$22,504	$85,918	($63,414)	-73.81%
Capital Projects Fund				
Assigned - unappropriated	$454,753	$1,756,045	($1,301,292)	-74.10%
Total - Capital Projects Fund	$454,753	$1,756,045	($1,301,292)	74.10%
Debt Service Fund				
Restricted for debt service	$584,805	$584,805	-	0.00%
Total - Debt Service Fund	$584,805	$584,805	-	0.00%
Total Fund Balance - All Funds	$8,755,114	$9,833,010	($1,077,896)	-10.96%

The District can attribute changes to fund balances and reserves primarily due to the payment of tax certiorari judgments and compensated absences offset by the allocation of interest and earnings.

A) General Fund

The net change in the general fund – fund balance is an increase of $286,810 as a result of revenues of $87,182,079 exceeding expenditures and other financing uses of $86,895,269. Revenues and other sources increased $1,859,929 or 2.18% compared to the prior year, mostly due to the increases in real property taxes and other tax items, and state aid, as previously discussed.

Expenditures and other uses decreased by $287,693 or .33% compared to the prior year. Transfers to the capital projects fund decreased $1,300,000, while instruction expenses increased $1,097,190.

B) School Lunch Fund

The net change in the school lunch fund – fund balance is a decrease of $63,414. This decrease is due to the cost of sales exceeding sales revenue.

C) Capital Projects Fund

The net change in the capital projects fund – fund balance is a decrease of $1,301,292. This decrease is due to general fund budgetary appropriation transfer of $1,500,000, offset by capital outlay of $2,801,292.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2019-2020 Budget:

The District's general fund adopted budget for the fiscal year ended June 30, 2020 was $87,603,000. This amount was increased by encumbrances carried forward from the prior year in the amount of $141,124, an appropriation from reserves for payment of tax certiorari judgments in the amount of $682,352, and an appropriation from reserves for payment of compensated absences of $568,580 resulting in a final budget of $88,995,056. The majority of the funding was real property taxes and other tax items, budget totaling $76,543,000.

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

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

Opening, unassigned fund balance	$3,379,291
Revenues over budget	79,079
Expenditures and encumbrances under budget	2,039,218
Interest allocated to reserves	(33,859)
Assigned, appropriated for June 30, 2021 Budget	(500,000)
Closing, unassigned fund balance	$4,963,729

The opening unassigned fund balance of $3,379,291 is the June 30, 2019 unassigned fund balance.

The revenues over budget of $79,079 were primarily in state sources and charges for services offset by revenues under budget in miscellaneous and use of money and property.

The expenditures and encumbrances under budget of $2,039,218 were primarily in teaching-special education and regular education, pupil services, transportation, and employee benefits.

Interest of $33,859 was also allocated to the reserves as follows: $17,387 to the tax certiorari reserve, $12,734 to the employee benefit accrued liability reserve, and the balance to the remaining reserves.

The assigned, appropriated fund balance of $500,000 for the June 30, 2021 budget is the amount the District has chosen to use to partially fund its operating budget for 2020-2021.

The District closed the 2019-2020 fiscal year with $4,963,729 in unassigned fund balance. NYS Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is over the legal limit. See Supplemental Schedule #5 for more details.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A) Capital Assets:

The District paid for equipment, and various building additions and renovations during the fiscal year 2020. A summary of the District's capital assets net of depreciation are as follows:

Capital Assets (Net of Depreciation)

Category	Fiscal Year 2020	Fiscal Year 2019	Net Increase/ (Decrease)	Percentage Change
Land	$ 365,200	$ 365,200	$ -	0.00%
Land Improvements	1,309,033	1,309,033	-	0.00%
Buildings & Building Improvements	98,761,701	97,103,484	1,658,217	1.71%
Vehicles	288,673	288,673	-	0.00%
Construction in Progress	1,387,029	243,954	1,143,075	468.56%
Furniture & Equipment	2,105,125	1,861,441	243,684	13.09%
Subtotal	104,216,761	101,171,785	3,044,976	3.01%
Less: Accumulated Depreciation	27,183,660	24,471,466	2,712,194	11.08%
Total Net Capital Assets	$77,033,101	$76,700,319	$332,782	0.43%

The District's capital outlay for the year was $2,801,292 from the capital project fund and $243,684 from the general fund. Depreciation expense was $2,712,194.

B) Long-Term Debt:

At June 30, 2020, the District had total debt payable, including bonds and energy performance debt of $48,776,499. The decrease in energy performance debt represents principal payments. A decrease in serial bonds represents principal payments and the amortization of the deferred premium. More detailed information about the District's long-term debt is presented in the Notes to the Financial Statements. A summary of outstanding debt at June 30, 2020 and 2019 is as follows:

	2020	2019	Increase (Decrease)
Energy performance contract debt payable	$3,800,729	$4,199,148	($398,419)
Serial bonds payable (including deferred bond premium)	44,975,770	48,420,515	(3,444,745)
Total	$48,776,499	$52,619,663	($3,843,164)

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

A) The general fund budget for the 2020-21 school year in the amount of $88,835,000 was approved by voters. This is an increase of $1,232,000 or 1.41% over the previous year's budget. The increase was primarily due to increases in regular classroom instruction, building operations and maintenance, transportation and employee benefits. During the development of the 2020-2021 budget, reductions in both County Sales Tax and interest income revenues have been budgeted as a result of the COVID-19 pandemic. Based on the anticipated significant reduction in revenue, the District refocused on maintaining class size, maintaining existing instructional programs without cutting staff, and deferring infrastructure and technology needs.

B) The NYS Legislature has introduced and approved a property tax cap beginning in the 2012-2013 school year. This bill limits tax levy growth to the lesser of two percent or the annual increase in the CPI. Limited exemptions to exceed the levy cap are provided for taxes needed to pay for voter-approved capital expenditures, pension rate increases, court orders and torts over five percent of the prior year's levy. If the tax levy proposed to the voters is within the District's tax levy cap, then a majority vote would be required for approval. If the proposed tax levy exceeds the District's tax levy cap, the threshold required for approval would be 60 percent of the vote.

C) On August 13, 2020, the New York State Division of the Budget (DOB) issued their "FY 2021 First Quarterly State Budget Financial Plan Update" which notes that the DOB approved payment of 80% for accrued General Aid, Excess Cost Aid and BOCES Aid payments. These financial statements reflect revenue at 80% of the accrued amounts for these aids in the general fund. The remaining 20% is included in deferred inflows of resources and will be recognized as revenue upon such time this deferred aid is received.

D) On August 15, 2020, the District refunded $3,685,000 of the 2010 and 2012 bonds by issuing $3,425,000 in bonds. The District refunded the bonds to reduce its total debt service payments over the next 11 years resulting in an economic gain (the difference between the present values of the debt service payments on the old and new debt).

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Eastchester Union Free School District
Ms. Lisa Sanfilippo, CPA
Assistant Superintendent for Business
580 White Plains Road
Eastchester, NY 10709

EASTCHESTER UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS		
Current assets		
Cash		
Unrestricted	$	8,778,077
Restricted		2,753,559
Receivables		
Accounts receivable		16,458
State and federal aid		2,084,669
Due from other governments		1,792,151
Due from fiduciary funds		298,793
Non-current assets		
Capital assets		
Capital assets, not being depreciated		1,752,229
Capital assets being depreciated, net of accumulated depreciation		75,280,872
Net pension asset-proportionate share-teachers' retirement system		6,084,808
TOTAL ASSETS		98,841,616
DEFERRED OUTFLOWS OF RESOURCES		
Pensions		22,948,413
Other post-employment benefits obligation		14,451,455
Deferred amounts on refunding		227,648
TOTAL DEFEREED OUTFLOWS OF RESOURCES	$	37,627,516
LIABILITIES		
Payables		
Accounts payable	$	1,085,409
Accrued liabilities		519,637
Due to fiduciary funds		405,115
Due to teachers' retirement system		3,794,253
Due to employees' retirement system		233,450
Compensated absences payable		515,448
Due to other governments		44,639
Accrued interest payable		150,371
Unearned credits		
Collections in advance		239,006
Long-term liabilities		
Due and payable within one year		
Bonds payable (Including deferred bond premium of $124,745)		3,809,745
Energy performance contract debt payable		413,957
Due and payable after one year		
Bonds payable (Including deferred bond premium of $376,025)		41,166,025
Energy performance contract debt payable		3,386,772
Compensated absences		5,806,223
Net pension liability-proportionate share-employees' retirement system		5,314,364
Total other post-employment benefits obligation		106,006,929
TOTAL LIABILITIES		172,891,343
DEFERRED INFLOWS OF RESOURCES		
Pensions		8,421,008
Other post-employment benefits obligation		19,470,461
TOTAL DEFERRED INFLOWS OF RESOURCES		27,891,469
NET POSITION		
Net investment in capital assets		31,271,250
Restricted		
Capital		44,367
Property loss		56,029
Liability		22,989
Tax certiorari		1,073,778
Employee benefit accrued liability		717,516
Debt service		838,880
		2,753,559
Unrestricted (deficit)		(98,338,489)
TOTAL NET POSITION (DEFICIT)	$	(64,313,680)

See Accompanying Notes to Financial Statements

EASTCHESTER UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS / PROGRAMS				
General support	$ (13,947,779)			$ (13,947,779)
Instruction	(74,258,150)	$ 2,306,049	$ 1,119,308	(70,832,793)
Pupil transportation	(3,145,455)		56,945	(3,088,510)
Food service program	(774,289)	703,963		(70,326)
Debt service - interest	(1,401,962)			(1,401,962)
TOTAL FUNCTIONS AND PROGRAMS	$ (93,527,635)	$ 3,010,012	$ 1,176,253	$ (89,341,370)
GENERAL REVENUES				
Real property taxes				67,884,439
Other tax items - including STAR reimbursement				8,600,179
Use of money & property				222,726
Sale of property & compensation for loss				78,394
Miscellaneous				147,566
State sources				8,074,554
TOTAL GENERAL REVENUES				85,007,858
CHANGE IN NET POSITION				(4,333,512)
TOTAL NET POSITION - BEGINNING OF YEAR				(59,980,168)
TOTAL NET POSITION - END OF YEAR				$ (64,313,680)

EASTCHESTER UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Special Aid	School Lunch	Capital Projects	Debt Service	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	$ 8,434,463		$ 93,241	$ 250,373		$ 8,778,077
Restricted	2,753,559					2,753,559
Receivables						
Accounts receivable	16,458					16,458
State and federal aid	1,116,333	$ 886,262		82,074		2,084,669
Due from other governments	1,759,393	32,758				1,792,151
Due from other funds	1,196,900			982,363	$ 584,805	2,764,068
TOTAL ASSETS	$ 15,277,106	$ 919,020	$ 93,241	$ 1,314,810	$ 584,805	$ 18,188,982
LIABILITIES AND FUND BALANCES						
Payables						
Accounts payable	$ 614,746	$ 9,838	$ 12,500	$ 448,325		$ 1,085,409
Accrued liabilities	517,511	2,126				519,637
Due to other governments	44,272		367			44,639
Due to other funds	1,560,550	898,108		411,732		2,870,390
Due to teachers' retirement system	3,794,253					3,794,253
Due to employees' retirement system	233,450					233,450
Compensated absences	515,448					515,448
Unearned credits						
Collections in advance	172,188	8,948	57,870			239,006
TOTAL LIABILITIES	7,452,418	919,020	70,737	860,057	-	9,302,232
DEFERRED INFLOWS OF RESOURCES						
NYS aid	131,636	-	-	-	-	131,636
FUND BALANCES						
Restricted:						
Capital	44,367					44,367
Property loss	56,029					56,029
Liability	22,989					22,989
Tax certiorari	1,073,778					1,073,778
Employee benefit accrued liability	717,516					717,516
Debt service	254,075				$ 584,805	838,880
Assigned:						
Appropriated fund balance	500,000					500,000
Unappropriated fund balance	60,569		22,504	454,753		537,826
Unassigned	4,963,729					4,963,729
TOTAL FUND BALANCES	7,693,052	-	22,504	454,753	584,805	8,755,114
TOTAL LIABILITIES AND FUND BALANCES	$ 15,277,106	$ 919,020	$ 93,241	$ 1,314,810	$ 584,805	$ 18,188,982

See Accompanying Notes to Financial Statements

EASTCHESTER UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2020

Total Governmental Fund Balances		$ 8,755,114
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.		
Original cost of capital assets	$ 104,216,761	
Accumulated depreciation	(27,183,660)	77,033,101
Deferred inflows of resources - The Statement of Net Position recognized revenues and expenditures received under the full accrual method. Governmental funds recognize revenue and expenditures under the modified accrual method. Deferred inflows related to pensions that will be recognized as a reduction in pension expense in future periods amounted to		(8,421,008)
Deferred inflows of resources - The Statement of Net Position recognized revenues and expenditures received under the full accrual method. Governmental funds recognize revenue and expenditures under the modified accrual method. Deferred inflows related to other post-employment benefit obligations that will be recognized as a reduction in expense in future periods amounted to		(19,470,461)
Deferred inflows of resources -NYS Aid- The Statement of Net Position recognizes revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method.		131,636
Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to long-term liabilities at year end consisted of:		
Accrued interest on bonds and energy performance contract debt.		(150,371)
Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows related to pensions that will be recognized as expenditures in future periods amounted to		22,948,413
Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows related to other post-employment benefits obligations that will be recognized as expenditures in future periods amounted to		14,451,455
Deferred outflows of resources - Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. At year end the District had deferred charges on bond refunding which amounted to		227,648
Certain disbursements previously expended in the governmental funds relating to pensions are treated as long term assets and increase net position. The net pension asset-proportionate share for teachers' retirement was		6,084,808
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:		
Bonds payable (including deferred premium)	$ (44,975,770)	
Energy performance contract debt payable	(3,800,729)	
Compensated absences	(5,806,223)	
Net pension liability - proportionate share - employees' retirement system	(5,314,364)	
Total other post-employment benefits obligation	(106,006,929)	(165,904,015)
Total Net Position		$(64,313,680)

EASTCHESTER UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General	Special Aid	School Lunch	Capital Projects	Debt Service	Total Governmental Funds
REVENUES						
Real property taxes	$ 67,884,439					$ 67,884,439
Other tax items - including STAR reimbursement	8,600,179					8,600,179
Charges for services	2,306,049					2,306,049
Use of money and property	222,559		$ 167			222,726
Sale of property and compensation for loss	78,394					78,394
Miscellaneous	147,541		25			147,566
State sources	7,942,918	$ 404,245				8,347,163
Federal sources		772,008				772,008
Sales			703,963			703,963
TOTAL REVENUES	87,182,079	1,176,253	704,155	-	-	89,062,487
EXPENDITURES						
General support	9,770,178					9,770,178
Instruction	48,018,780	1,257,058				49,275,838
Pupil transportation	2,926,868	71,181				2,998,049
Employee benefits	18,730,683	52,732				18,783,415
Debt service - principal	3,718,419					3,718,419
Debt service - interest	2,025,623					2,025,623
Cost of sales			767,569			767,569
Capital outlay				$ 2,801,292		2,801,292
TOTAL EXPENDITURES	85,190,551	1,380,971	767,569	2,801,292	-	90,140,383
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,991,528	(204,718)	(63,414)	(2,801,292)	-	(1,077,896)
OTHER FINANCING SOURCES AND (USES)						
Operating transfers in		204,718		1,500,000		1,704,718
Operating transfers (out)	(1,704,718)					(1,704,718)
TOTAL OTHER FINANCING SOURCES AND (USES)	(1,704,718)	204,718	-	1,500,000	-	-
NET CHANGE IN FUND BALANCES	286,810		(63,414)	(1,301,292)		(1,077,896)
FUND BALANCES - BEGINNING	7,406,242		85,918	1,756,045	$ 584,805	9,833,010
FUND BALANCES - END OF YEAR	$ 7,693,052	$ -	$ 22,504	$ 454,753	$ 584,805	$ 8,755,114

EASTCHESTER UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Net Change in Fund Balances			$ (1,077,896)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Long-Term Revenue and Expense Differences			
In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the year ended June 30, 2020 changed by			(20,559)
Changes in the proportionate share of net pension asset/liability, and total other post employment benefits obligation and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.			
	Teachers' retirement system	$ (4,029,822)	
	Employees' retirement system	(980,728)	
	Other post-employment benefits	(3,031,005)	(8,041,555)
Deferred inflows - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. The difference in revenues recognized under the full accrual method for the year ended June 30, 2020 is			131,636
Capital Related Items			
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.			
	Capital outlays	$ 3,044,976	
	Depreciation expense	(2,712,194)	332,782
Long-Term Debt Transactions			
Premiums and discounts on long-term debt issuances and deferred amounts from debt refundings are recognized in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities. The amount that was amortized in the current year was			64,705
Repayment of a bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.			3,320,000
Repayment of an energy performance contract debt payable is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.			398,419
Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statements of Activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from June 30, 2019 to June 30, 2020 changed by:			558,956
Change in Net Position			$ (4,333,512)

EASTCHESTER UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash-restricted	$ 126,069	$ 804,399
Due from governmental funds	405,115	
Due from trust and agency fund	31,417	
Other receivables		5,115
TOTAL ASSETS	$ 562,601	$ 809,514
LIABILITIES		
Due to governmental funds		$ 298,793
Due to private purpose trust fund		31,417
Extraclassroom activity balance		199,594
Other liabilities		279,710
TOTAL LIABILITIES	$ -	$ 809,514
NET POSITION		
Restricted for scholarships	562,601	
TOTAL NET POSITION	$ 562,601	

See Accompanying Notes to Financial Statements

EASTCHESTER UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Private Purpose Trust Fund
ADDITIONS	
Gifts and contributions	$ 5,125
Interest and earnings	3,046
TOTAL ADDITIONS	8,171
DEDUCTIONS	
Scholarships and awards	7,627
TOTAL DEDUCTIONS	7,627
CHANGE IN NET POSITION	544
NET POSITION - BEGINNING OF YEAR	562,057
NET POSITION - END OF YEAR	$ 562,601

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

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

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education (the "Board") consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The District reports these assets held as an agent for the Extraclassroom organizations in the Statement of Fiduciary Net Position – Fiduciary Funds. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office.

B) Joint venture:

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

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

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

C) Basis of presentation:

i) District-Wide Financial Statements

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

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

ii) Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

The District reports the following fiduciary funds:

Fiduciary Fund: These funds are used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-Wide Financial Statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

Private purpose trust funds: These funds are used to account for trust arrangements in which principal and income benefits annual third-party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

Agency funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extra classroom activity funds and for payroll or employee withholding.

D) Measurement focus and basis of accounting:

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 or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

E) **Real property taxes:**

Real property taxes are levied annually by the Board of Education no later than September 1st and became a lien on August 18, 2019. Taxes were billed and collected by the Town of Eastchester in two installments. The first installment was due September 1, 2019 and the second installment was due January 1, 2020.

The Town of Eastchester assumes responsibility for uncollected taxes. The entire tax levy is guaranteed to the District by April 1st of the school year by the Town, and the Town retains any late payment penalties collected.

F) **Restricted resources:**

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

G) **Interfund transactions:**

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

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

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

Refer to Note 11 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) Estimates:

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

I) Cash and cash equivalents:

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

J) Receivables:

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

K) Prepaid items:

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-Wide and Fund Financial Statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. The District has no prepaid items as of June 30, 2020.

L) Capital assets:

Capital assets are reported at actual cost for acquisitions within the last 20 years. For assets acquired prior to 20 years ago, estimated historical costs, based on appraisals conducted by independent third-party professionals are used. Donated assets are reported at acquisition value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Financial Statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building & Building Improvements	$ 5,000	Straight-line	50 years
Furniture & Equipment	$ 5,000	Straight-line	5-20 years
Land Improvements	$ 5,000	Straight-line	50 years
Vehicles	$ 5,000	Straight-line	5-20 years

M) Collections in advance:

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

Collections in advance consist of amounts received in advance for meals that have not yet been purchased in the school lunch fund, health insurance in the general fund and grant advances in the special aid fund.

N) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. These amounts are related to deferred charges on refunding, other post-employment benefits liability, and pensions reported in the District-Wide Statement of Net Position, and are detailed further in Notes 13, 14, and 16.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are related to pensions and the other post-employment benefits liability reported in the District-Wide Statement of Net Position, and are detailed further in Notes 14 and 16.

In addition to liabilities, the Governmental Funds Balance Sheet will sometimes report deferred inflows of resources when potential revenues do not meet the availability criterion for recognition in the current period. These amounts are recorded as deferred inflows of resources. In subsequent periods, when the availability criterion is met, deferred inflows of resources are classified as revenues. The District-Wide Financial Statements, however, report these deferred inflows of resources as revenues in accordance with the accrual basis of accounting and economic resources measurement focus. Due to the COVID-19 pandemic and revenue losses suffered by the State of New York, New York mandated a 20% withholding of certain state aid allocations due to the District at June 30, 2020. In the Governmental Funds Balance Sheet, the general fund reported $131,636 of this state aid due as unavailable revenue.

O) Vested employee benefits:

Compensated absences:

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

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

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

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

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

P) Other benefits:

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the District-Wide Financials Statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75.

Q) **Short-term debt:**

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

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

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

No short term debt was issued, redeemed or outstanding during the fiscal year.

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

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

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

S) **Equity classifications:**

i) District-Wide Financial Statements

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

Net investment in capital assets, consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets (net of unspent proceeds), including the deferred inflows of resources, the gain on defeasance on the bond refunding.

Restricted net position – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
Unrestricted net position – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

ii) Fund Financial Statements

There are five classifications of fund balance as detailed below; however, the District only has three classifications of fund balance presented in the fund financial statements as follows:

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

   The District has classified the following reserves as restricted:

   Capital Reserve

   Capital Reserve according to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund under restricted fund balance.

   Property Loss Reserve and Liability Reserve

   Property Loss Reserve and Liability Reserve (Education Law §1709(8) (c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted for in the general fund.

   Tax Certiorari Reserve

   According to Education Law §3651.1-a, the Tax Certiorari Reserve must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the general fund.

Employee Benefit Accrued Liability Reserve

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

Reserve for Debt Service

Mandatory Reserve for Debt Service (GML §6-1) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvements that were financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. Unexpended balances of proceeds of borrowings for capital projects, interest and earnings from investing proceeds of obligations, and premium and accrued interest are recorded in the reserve for debt and held until appropriated for debt payments. The reserve is accounted for in the general fund.

Restricted for Debt Service

Unexpected balances of proceeds of borrowings for capital projects, interest and earnings from investing proceeds of obligations, and premiums and accrued interest on long-term borrowings are recorded in the debt service fund and held until appropriated for debt payments. These restricted amounts are accounted for in the debt service fund.

Scholarships

Amounts restricted for scholarships are used to account for monies donated for scholarship purposes, net of earnings and awards. These restricted funds are accounted for in the private purpose trust fund.

2) **Committed fund balance** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Districts highest level of decision making authority, (i.e., the Board of Education). The District has no committed fund balances as of June 30, 2020.

3) **Assigned fund balance**- Includes amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Education. 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. Assigned fund balance includes an amount appropriated to partially fund the

subsequent year's budget in the amount of $500,000. This assignment is made when the tax levy is set by the Board of Education pursuant to the District's annual budget policy.

4) **Unassigned fund balance** – Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.
NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in the assigned fund balance are also excluded from the 4% limitation.

The District's general fund unassigned balance was in excess of the New York State Real Property Tax Law 1318 limit. The District plans to utilize the excess towards covering the additional operating costs attributable to the COVID-19 pandemic that are not provided for in the 2020-21 adopted budget.

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

T) **Future changes in accounting standards:**

GASB has issued Statement No. 84, *Fiduciary Activities*, effective for the fiscal year ended June 30, 2021. It provides guidance for identifying fiduciary activities, primarily based on whether the government is controlling the assets, and the beneficiaries with whom the fiduciary relationship exists, and on how different fiduciary activities should be reported.

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

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

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

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

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

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

B) Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities:

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

i) Long-term revenue and expense differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences, workers' compensation, and other post-employment benefits.

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

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

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

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

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

B) Encumbrances:

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

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash:

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

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

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

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

Restricted cash:

Restricted cash represents cash and cash equivalents where use is limited by the legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2020 included $2,753,559 within the governmental funds for general reserve purposes and debt service and $930,468 in the fiduciary funds.

B) Investments:

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year ended June 30, 2020, the District was billed $3,801,838 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,107,267. Financial statements for the BOCES of Southern Westchester are available from their administrative office at 17 Berkley Drive, Rye Brook, NY 10573.

NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivables at June 30, 2020 consisted of the following:

General Fund	
BOCES aid	$ 935,121
Excess cost aid	177,951
STAR refund	3,261
Total General Fund	$ 1,116,333
Special Aid Fund	
Federal grants	$ 571,113
State grants	315,149
Total Special Aid Fund	$ 886,262
Capital Projects Fund	
State grants	$ 82,074
Total	$ 2,084,669

District management has deemed these receivables as fully collectible, however a portion of the general fund state and federal aid receivable is also recorded as a deferred inflow of resources for unavailable revenue.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2020 consisted of the following:

General Fund	
Westchester county sales tax	$ 298,766
Tuition and health service billings	1,460,627
Total General Fund	$ 1,759,393
Special Aid Fund	
Tuition billings	32,758
Total Special Aid Fund	$ 32,758
Total	$ 1,792,151

District management has deemed these receivables as fully collectible.

NOTE 8 – DUE TO OTHER GOVERNMENTS:

Due to other governments at June 30, 2020 consisted of the following:

General Fund	
General aid overpayment	$ 44,272
School Lunch Fund	
Sales tax	367
Total	$ 44,639

NOTE 9 – COLLECTIONS IN ADVANCE:

Collections in advance at June 30, 2020 consisted of health insurance in the amount of $172,188 in the general fund, a grant advance of $8,948 in the special aid fund and student prepaid meals in the amount of $57,870 in the school lunch fund.

EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10 - CAPITAL ASSETS:

Capital asset balances and activity for the year ended June 30, 2020 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 365,200			$ 365,200
Construction in progress	243,954	$ 1,387,029	$ (243,954)	1,387,029
Total capital assets not be depreciated	609,154	1,387,029	(243,954)	1,752,229
Capital assets being depreciated				
Buildings and building improvements	97,103,484	1,414,263	243,954	98,761,701
Furniture and equipment	1,861,441	243,684		2,105,125
Land improvement	1,309,033			1,309,033
Vehicles	288,673			288,673
Total depreciable historical cost	100,562,631	1,657,947	243,954	102,464,532
Accumulated depreciation				
Buildings and building improvements	22,119,364	2,503,643		24,623,007
Furniture and equipment	988,534	166,612		1,155,146
Land improvement	1,134,743	26,628		1,161,371
Vehicles	228,825	15,311		244,136
Total accumulated depreciation	24,471,466	2,712,194	-	27,183,660
Total capital assets being depreciated, net	76,091,165	(1,054,247)	243,954	75,280,872
Total capital assets, net	$ 76,700,319	$ 332,782	$ -	$ 77,033,101

Depreciation expense was charged to governmental functions as follows:

General support	$ 2,066,600
Instruction	638,874
Food service program	6,720
Total	$ 2,712,194

NOTE 11 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	$ 1,196,900	$ 1,560,550		$ 1,704,718
Special aid fund		898,108	$ 204,718	
Capital projects fund	982,363	411,732	1,500,000	
Debt service fund	584,805			
Total government activities	2,764,068	2,870,390	1,704,718	1,704,718
Fiduciary private purpose trust fund	436,532			
Fiduciary agency fund		330,210		
Total	$ 3,200,600	$ 3,200,600	$ 1,704,718	$ 1,704,718

The District typically transfers from the general fund to the capital projects fund to finance capital construction projects. The District typically transfers from the general fund to the special aid fund to fund the District's local share of summer school handicap expenses required by New York State Law.

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

NOTE 12 – LONG-TERM LIABILITIES:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due within one year
Bonds payable					
Tax certiorari bonds	$3,802,000		($1,015,000)	$2,787,000	$880,000
Construction bonds	43,993,000		(2,305,000)	41,688,000	2,805,000
Total bonds payable	47,795,000	-	(3,320,000)	44,475,000	3,685,000
Premium on refunding	625,515		(124,745)	500,770	124,745
Total bonds payable (including premiums)	48,420,515	-	(3,444,745)	44,975,770	3,809,745
Other liabilities					
Energy performance contract debt payable	4,199,148		(398,419)	3,800,729	413,957
Compensated absences payable	5,785,664	536,007	(515,448)	5,806,223	
Net pension liability - proportionate share	1,437,643	4,776,463	(899,742)	5,314,364	
Total other post-employment benefits	85,435,602	23,017,686	(2,446,359)	106,006,929	
Total long-term liabilities	$145,278,572	$28,330,156	($7,704,713)	$165,904,015	$4,223,702

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

A) Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at Year End
Serial Bonds - Construction	2010	2023	2.00-5.00%	$ 2,550,000
Serial Bonds - Tax Certiorari	2011	2021	2.50-3.375%	145,000
Serial Bonds - Tax Certiorari	2012	2022	2.25-2.5%	160,000
Serial Bonds - Construction	2012	2032	2-3.5%	1,960,000
Serial Bonds - Construction	2013	2034	3-4%	7,610,000
Serial Bonds - Tax Certiorari	2013	2023	2-3%	565,000
Serial Bonds - Construction	2014	2029	2-3%	1,298,000
Serial Bonds - Tax Certiorari	2014	2024	2-2.5%	897,000
Serial Bonds - Tax Certiorari	2015	2025	2.125-3.25%	520,000
Series A - Refunded	2016	2023	1-4%	500,000
Series B - Refunded	2016	2028	1-4%	2,085,000
Serial Bonds - Construction	2018	2039	1.59%-3.5%	26,185,000
				$ 44,475,000

Summary by Description of Issue	
Total Tax Certiorari	$ 2,787,000
Total Construction	41,688,000
	$ 44,475,000

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2021	$ 3,685,000	$ 1,417,819	$ 5,102,819
2022	3,655,000	1,297,279	4,952,279
2023	3,665,000	1,181,950	4,846,950
2024	2,495,000	1,083,119	3,578,119
2025	2,330,000	1,006,988	3,336,988
2026-2030	11,445,000	3,899,588	15,344,588
2031-2035	10,460,000	2,028,394	12,488,394
2036-2039	6,740,000	461,581	7,201,581
	$ 44,475,000	$ 12,376,718	$ 56,851,718

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

B) Energy Performance Contract Debt

Energy performance contract debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at Year End
Energy Performance Contract Debt	6/15/2012	6/15/2028	2.203%	$ 3,800,729
				$ 3,800,729

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2021	$ 413,957	$ 83,730	$ 497,687
2022	430,101	74,611	504,712
2023	446,875	65,135	512,010
2024	464,304	55,291	519,595
2025	482,411	45,062	527,473
2026-2028	1,563,081	69,748	1,632,829
	$ 3,800,729	$ 393,577	$ 4,194,306

C) Long-Term Interest

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

	Total
Interest paid	$ 2,025,623
Less interest accrued in the prior year	(709,327)
Plus interest accrued in the current year	150,371
Less amortization of premiums, and deferred amounts on bond refunding	(64,705)
Total expense	$ 1,401,962

NOTE 13 – DEFERRED OUTFLOWS OF RESOURCES – DEFERRED AMOUNTS ON REFUNDINGS:

The deferred charges pertaining to the 2010 bond refunding, and the 2016 bond refunded, as recorded in the District-Wide Financial Statements as deferred outflows of resources at June 30, 2020 consisted of the following:

	2010 Refunding	2016 Refunding	Total
Deferred charges	$422,712	$244,956	$667,668
Accumulated amortization	(346,801)	(93,219)	(440,020)
Net deferred charges on defeasance	$75,911	$151,737	$227,648

These deferred charges on refundings are being amortized on the District-Wide Financial Statements using the straight-line method over 12 years, the time to maturity of the refunding bonds, at the point of refunding, and is recorded as an increase to interest expense on the District-Wide Statement of Activities. Amortization for the fiscal year ended June 30, 2020 was $60,040.

NOTE 14 – PENSION PLANS:

A) Plan Descriptions and Benefits Provided:

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State ("RSSL") of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

ii) Employees' Retirement System

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

Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

B) Funding Policies:

The Systems are noncontributory, except as follows:

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

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

For NYSERS, the Comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for ERS' fiscal year ended March 31st. The District's average contribution rate for ERS' fiscal year ended March 31, 2020 was 13.53% of covered payroll.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for TRS' fiscal year ended June 30, 2020 was 8.86% of covered payroll.

The District is required to contribute at an actuarially determined rate. The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

Year	ERS	TRS
2020	$ 869,093	$ 3,503,561
2019	$ 902,507	$ 3,720,588
2018	$ 932,086	$ 4,381,944

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

At June 30, 2020, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2020 for ERS and June 30, 2019 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation with update procedures used to roll forward the total pension liability. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2020	June 30, 2019
Net pension asset/(liability)	$ (5,314,364)	$ 6,084,808
District's portion of the Plan's total net pension asset/(liability)	0.0200689%	0.234211%
Change in proportion since the prior measurement date	-0.0002216%	0.001137%

For the fiscal year ended June 30, 2020, the District recognized pension expense of $1,859,058 for ERS and $7,541,393 for TRS. At June 30, 2020 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources		Deferred Inflow of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 312,772	$ 4,123,519		$ 452,478
Net difference between projected and actual earnings on pension plan investments	2,724,401			4,879,702
Changes of assumptions	107,006	11,495,016	$ 92,398	2,802,810
Changes in proportion and differences between the District's contributions and proportionate share of contributions	218,638	226,715	63,533	130,087
District's contributions subsequent to the measurement date	233,450	3,506,896		
	$ 3,596,267	$ 19,352,146	$ 155,931	$ 8,265,077

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Fiscal year ended:		
2021	$ 565,572	$ 2,769,334
2022	809,694	191,156
2023	1,019,429	2,759,356
2024	812,191	1,834,324
2025	-	235,981
Thereafter	-	(209,978)
	$ 3,206,886	$ 7,580,173

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2020	June 30, 2019
Actuarial valuation date	April 1, 2019	June 30, 2018
Interest rate	6.80%	7.10%
Salary scale	4.20%	4.72% - 1.90%
Cost of living adjustments	1.3% annually	1.3% annually
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Inflation rate	2.50%	2.20%

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System'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.

For ERS, the actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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 returns, net of investment expense 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. The previous actuarial valuation as of April 1, 2018 used a long-term expected rate of return of 7.0%.

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the valuation date are summarized below:

	ERS		TRS	
Measurement Date	March 31, 2020		June 30, 2019	
Asset type	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%
Global equity			4%	7.2%
Private equity	10%	6.75%	8%	9.9%
Real estate	10%	4.95%	11%	4.6%
Absolute return strategies	2%	3.25%		
Opportunistic portfolio	3%	4.65%		
Real assets	3%	5.95%		
Bonds and mortgages	17%	0.75%		
Cash	1%	0.00%		
Inflation-indexed bonds	4%	0.50%		
Domestic fixed income securities			16%	1.3%
Global bonds			2%	0.9%
High-yield bonds			1%	3.6%
Private debt			1%	6.5%
Real estate debt			7%	2.9%
Short-term			1%	0.3%
	100%		100%	

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

Discount Rate

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. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 6.8% for ERS and 7.1% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-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:

	1% Decrease (5.80%)	Current Assumption (6.80%)	1% Increase (7.80%)
ERS			
District's proportionate share of the net pension asset/(liability)	$ (9,753,358)	$ (5,314,364)	$ (1,226,031)
	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
TRS			
District's proportionate share of the net pension asset/(liability)	$ (27,466,187)	$ 6,084,808	$ 34,230,307

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Valuation date	April 1, 2019	June 30, 2018
Employers' total pension liability	$ (194,596,261)	$ (119,879,474)
Plan Net Position	168,115,682	122,477,481
Employers' net pension asset/(liability)	$ (26,480,579)	$ 2,598,007
Ratio of plan net position to the Employers' total pension asset/(liability)	86.39%	102.17%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to $233,450.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid deduction and remittance to TRS. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid TRS wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to $3,794,253.

NOTE 15 – RETIREMENT PLANS – OTHER:

A) Tax Sheltered Annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the fiscal year ended June 30, 2020, totaled $474,535 and $2,412,036, respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the fiscal year ended June 30, 2020 totaled $412,686.

NOTE 16 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A) General Information about the OPEB Plan:

Plan Description

The District's OPEB Plan (the "Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through a consortium called the Statewide Schools Cooperative Health Insurance Program (SWSCHP), which is made up of many school districts in the region. Benefits provided by SWSCHP are administered by Coordinated Health. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute between 50% and 100% of premiums for retirees, and 0% to 100% of the premiums for surviving spouses and dependents, depending on the coverage selected and date of retirement. The District recognizes the cost of the Plan annually as expenditures in the fund financial statements as payments are accrued. For fiscal year 2020, the District contributed an estimated $2,446,359 to the Plan, including $2,446,359 for current premiums and $0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the "pay as you go" method.

Employees Covered by Benefit Terms

At July 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	283
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	395
	678

B) **Total OPEB Liability:**

The District's total OPEB liability of $106,006,929 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2018. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Discount rate	2.21%
Healthcare cost trend rates	6.10% for 2018, decreasing to 4.10% over 57 years
Retirees' share of benefit-related costs	0% to 50% of health insurance premiums for individuals, 0% to 65% of premiums for family coverage, and 100% of surviving spouse coverage

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

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2018.

The actuarial assumptions used in the July 1, 2018 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable. The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

C) Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at June 30, 2019	$ 85,435,602
Changes for the fiscal year:	
Service cost	3,312,864
Interest	3,063,753
Changes in assumptions or other inputs	16,641,069
Benefit payments	(2,446,359)
Net changes	20,571,327
Balance at June 30, 2020	$ 106,006,929

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs include the change in discount rate from 3.50% to 2.21%.

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

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

	1% Decrease (1.21%)	Discount Rate 2.21%	1% Increase (3.21%)
Total OPEB liability	$126,050,905	$106,006,929	$90,136,617

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.10%) or 1-percentage-point higher (7.10%) than the current healthcare cost trend rates:

	1% Decrease (5.10% decreasing to 3.10%)	Healthcare Cost Trend Rates (6.10% decreasing to 4.10%)	1% Increase (7.10% decreasing to 5.10%)
Total OPEB liability	$89,524,388	$106,006,929	$128,018,502

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense (credit) of $5,477,364. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		$ 8,572,020
Changes of assumptions or other inputs	$ 14,451,455	10,898,441
	$ 14,451,455	$ 19,470,461

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

Fiscal Year ended June 30:	
2021	$ (899,253)
2022	(899,253)
2023	(899,253)
2024	(899,253)
2025	(899,253)
Thereafter	(522,741)
	$ (5,019,006)

NOTE 17 – RISK MANAGEMENT:

A) General Information:

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

B) Pool, Risk Sharing:

The District participates in a risk-sharing pool, the Southern Westchester Cooperative Workers' Compensation Self- Insurance Plan, to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims.

The District pays an annual premium to the pool for its workers' compensation claims coverage. The Plan has obtained an excess compensation insurance policy to buffer the effect that a single large claim may have on the Plan. Although excess compensation insurance permits recovery of a portion of such losses from the insurance carrier, it does not discharge the Plan's responsibility for payment of the claim.

The Plan established a liability for both reported and unreported insured events, which includes estimates of both future payments or losses and related claim adjustment expenses. However, because actual claim costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The Plan's total liability for unbilled and opened claims at June 30, 2020, is $21,592,805. Of this total undiscounted liability, $1,111,615 is associated with the District. During the year ended June 30, 2020, the District's contribution to the Plan was $338,157.

The Plan has issued financial statements for the year ended June 30, 2020. Copies of these statements can be obtained from the District's administrative office.

C) Health and Accident Insurance:

For some of the employee health and accident insurance coverage, the District is a participant in the Statewide Schools Cooperative Health Plan, a public entity risk pool operated for the benefit of 20 individual governmental units located within Westchester County. The District pays an annual premium to the Plan for this health and accident insurance coverage. The Statewide Schools Cooperative Health Plan is considered a self-sustaining risk pool that will provide coverage for its members up to $100,000 per employee. The Statewide Schools Cooperative Health Plan obtains independent coverage for insured events in excess of the $100,000 limit and the District has essentially transferred all related risk to the Plan.

NOTE 18 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

All encumbrances are classified as assigned fund balance. At June 30, 2020 the District had encumbered the following amounts:

Assigned: Unappropriated Fund Balance	
General fund for:	
General support	$ 38,854
Instruction	21,715
Total general fund	$ 60,569
School lunch fund	
School lunch services	$ 5,236
Capital projects fund	
Capital projects	$ 425,622

B) Grants:

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

C) Litigation:

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

NOTE 19 – SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through the date of this report and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements, except for the following:

- On March 11, 2020, the World Health Organization declared coronavirus (COVID-19) disease as a global pandemic, due to the rapid increase in global exposure. The full impact of this pandemic is still evolving as of the date of this report; however, COVID-19 has interrupted District operations and financial performance. The future performance both operationally and financially will depend upon the duration and spread of the disease, the effect on students, employees, residents and vendors, as well as federal and state funding, all of which are uncertain and cannot be estimated at this time.

- On August 13, 2020, the Division of the Budget (DOB) issued their "FY 2021 First Quarterly State Budget Financial Plan Update" which notes that the DOB approved payment of 80% for accrued General Aid, Excess Cost Aid and BOCES Aid payments. These financial statements reflect revenue at 80% of the accrued amounts for these aids in the general fund. The remaining 20% is included in deferred inflows of resources and will be recognized as revenue upon such time this deferred aid is received.

- On August 15, 2020, the District refunded $3,685,000 of the 2010 and 2012 bonds by issuing $3,425,000 in bonds. The District refunded the bonds to reduce its total debt service payments over the next 11 years resulting in an economic gain (the difference between the present values of the debit service payments on the old and new debt).

SUPPLEMENTARY INFORMATION

EASTCHESTER UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL- GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local sources				
Real property taxes	$ 67,884,441	$ 67,884,441	$ 67,884,439	$ (2)
Other tax items	8,658,559	8,658,559	8,600,179	(58,380)
Charges for services	2,105,000	2,105,000	2,306,049	201,049
Use of money and property	300,000	300,000	222,559	(77,441)
Sales of property and compensation for loss			78,394	78,394
Miscellaneous	255,000	255,000	147,541	(107,459)
State sources				
Basic formula	4,171,067	4,171,067	4,345,621	174,554
Excess cost aid	938,418	938,418	924,289	(14,129)
Lottery aid	1,157,245	1,157,245	1,157,245	-
BOCES aid	1,224,774	1,224,774	1,107,267	(117,507)
Textbook aid	194,206	194,206	194,206	-
Computer software aid	51,307	51,307	51,307	-
Computer hardware aid	16,577	16,577	16,577	-
Library A/V loan program aid	21,406	21,406	21,406	-
Other state aid	125,000	125,000	125,000	-
TOTAL REVENUES	87,103,000	87,103,000	87,182,079	79,079
Other financing sources				
Transfers from other funds			-	-
TOTAL REVENUES AND OTHER SOURCES	87,103,000	87,103,000	$ 87,182,079	$ 79,079
Appropriated reserves		1,250,932		
Appropriated fund balance	641,124	641,124		
TOTAL REVENUES, OTHER SOURCES & APPROPRIATED FUND BALANCE	$ 87,744,124	$ 88,995,056		

Budget Basis of Accounting

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

EASTCHESTER UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL- GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General support					
Board of education	$ 83,000	$ 82,800	$ 76,082		$ 6,718
Central administration	357,200	357,494	354,135		3,359
Finance	773,131	775,514	739,445		36,069
Staff	665,470	673,183	624,878		48,305
Central services	6,363,786	6,404,897	6,154,380	$ 38,854	211,663
Special items	1,077,714	1,829,607	1,821,258		8,349
Total General Support	9,320,301	10,123,495	9,770,178	38,854	314,463
Instructional					
Instruction, adm. & imp	3,240,224	3,138,130	2,986,754	2,806	148,570
Teaching - regular school	25,963,590	26,425,570	26,147,445	1,786	276,339
Programs for children with handicapping conditions	12,135,137	12,059,455	11,865,387	2,367	191,701
Occupational education	610,620	523,620	522,803		817
Teaching special schools	48,750	38,750	28,693		10,057
Instructional media	2,328,560	2,551,876	2,430,362		121,514
Pupil services	4,176,161	4,231,186	4,037,336	14,756	179,094
Total Instructional	48,503,042	48,968,587	48,018,780	21,715	928,092
Pupil transportation	3,479,918	3,332,043	2,926,868	-	405,175
Employee benefits	18,996,819	19,122,087	18,730,683	-	391,404
Debt service					
Debt service principal	3,718,419	3,718,419	3,718,419		-
Debt service interest	2,025,625	2,025,625	2,025,623		2
Total Debt Service	5,744,044	5,744,044	5,744,042	-	2
TOTAL EXPENDITURES	86,044,124	87,290,256	85,190,551	60,569	2,039,136
Other financing uses					
Transfers to other funds	1,700,000	1,704,800	1,704,718		82
TOTAL EXPENDITURES AND OTHER USES	$ 87,744,124	$ 88,995,056	86,895,269	$ 60,569	$ 2,039,218
Net change in fund balance			286,810		
Fund balance - beginning of year			7,406,242		
Fund balance - end of year			$ 7,693,052		

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

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

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 3,312,864	$ 4,056,641	$ 4,787,858
Interest	3,063,753	3,261,616	3,117,249
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	(11,059,394)	(257,037)
Changes of assumptions or other inputs	16,641,069	(14,358,263)	-
Benefit payments	(2,446,359)	(2,241,242)	(1,970,002)
Net change in total OPEB liability	20,571,327	(20,340,642)	5,678,068
Total OPEB liability - beginning	85,435,602	105,776,244	100,098,176
Total OPEB liability - ending	$ 106,006,929	$ 85,435,602	$ 105,776,244
Covered-employee payroll	$ 40,943,349	$ 40,943,349	$ 43,195,472
Total OPEB liability as a percentage of covered-employee payroll	258.91%	208.67%	244.88%

Notes to Schedule:

Trust Assets

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

Changes of Assumptions

The discount rate was 2.21% as of June 30, 2020.
The discount rate was 3.5% as of June 30, 2019.
The discount rate was 3.0% as of June 30, 2018.

For 2019, healthcare cost trend rates were updated from 7.5% scaling down to 4.5% over 7 years, to an initial rate of 6.1% scaling down to 4.1% over 57 years. The salary scale was updated from 3.0% (2018) to 2.6% (2019), mortality rate tables were updated to reflect mortality improvement Scale MP-2018 from MP-2016, and the Medicare Part B cost trend rate was updated from 4.5% (2018) to 3.0% (2019).

The amounts presented for the fiscal year were determined as of the measurement date of the plan.

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

NYSERS Pension Plan

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension (liability) asset	0.0200689%	0.0202905%	0.0208380%	0.0220738%	0.0229870%	0.0244760%	0.0244760%
District's proportionate share of the net pension (liability) asset	$ (5,314,364)	$ (1,437,643)	$ (672,534)	$ (2,074,106)	$ (3,689,484)	$ (826,859)	$ (1,007,295)
District's covered payroll	$ 6,334,356	$ 6,278,474	$ 6,134,546	$ 6,274,756	$ 6,293,314	$ 6,030,424	$ 6,277,463
District's proportionate share of the net pension (liability) asset as a percentage of its covered payroll	83.90%	22.90%	10.96%	33.05%	58.63%	13.71%	16.05%
Plan fiduciary net position as a percentage of the total pension (liability) asset	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%	97.15%

NYTRS Pension Plan

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension (liability) asset	0.234211%	0.233074%	0.235939%	0.234486%	0.235405%	0.238711%	0.238731%
District's proportionate share of the net pension (liability) asset	$ 6,084,808	$ 4,214,598	$ 1,793,373	$ (2,511,442)	$ 24,451,030	$ 26,590,945	$ 1,571,454
District's covered payroll	$ 39,549,229	$ 38,541,122	$ 37,957,062	$ 36,225,114	$ 35,927,909	$ 35,937,951	$ 35,598,780
District's proportionate share of the net pension (liability) asset as a percentage of its covered payroll	15.39%	10.94%	4.72%	6.93%	68.06%	73.99%	4.41%
Plan fiduciary net position as a percentage of the total pension (liability) asset	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

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

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

NYSERS Pension Plan

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 869,093	$ 902,507	$ 932,086	$ 954,390	$ 1,044,730	$ 1,196,417	$ 1,345,660
Contributions in relation to the contractually required contribution	869,093	902,507	932,086	954,390	1,044,730	1,196,417	1,345,660
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,288,724	$ 6,216,118	$ 6,199,713	$ 6,238,107	$ 6,340,054	$ 6,184,440	$ 6,356,176
Contributions as a percentage of covered payroll	13.82%	14.52%	15.03%	15.30%	16.48%	19.35%	21.17%

NYTRS Pension Plan

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 3,506,896	$ 3,720,588	$ 4,381,944	$ 4,797,936	$ 6,198,776	$ 5,729,972	$ 4,144,647
Contributions in relation to the contractually required contribution	3,506,896	3,720,588	4,381,944	4,797,936	6,198,776	5,729,972	4,144,647
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 39,581,222	$ 39,549,229	$ 38,541,122	$ 37,957,062	$ 36,225,114	$ 35,927,909	$ 35,937,951
Contributions as a percentage of covered payroll	8.86%	9.41%	11.37%	12.64%	17.11%	15.95%	11.53%

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

EASTCHESTER UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET-GENERAL FUND
AND SECTION 1318 OF THE REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$ 87,603,000
Add: Prior year's encumbrances	141,124
Original Budget	87,744,124
Budget revisions:	
Appropriated Reserves:	
Tax Certiorari Reserve	682,352
Employee Benefit Accrued Liability Reserve	568,580
Final Budget	$ 88,995,056

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2020-21 voter-approved expenditure budget		$ 88,835,000
Maximum allowed (4% of 2020-21 budget)		$ 3,553,400
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance:	$ 560,569	
Unassigned fund balance	4,963,729	
Total unrestricted fund balance		5,524,298
Less:		
Appropriated fund balance	500,000	
Encumbrances included in assigned fund balance	60,569	
Total adjustments		560,569
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 4,963,729
Actual percentage		5.59%

EASTCHESTER UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES- CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Project Title	Original Appropriation	Revised Appropriation	Expenditures Prior Year's	Expenditures Current Year	Expenditures Total	Unexpended Balance	Methods of Financing Proceeds of Obligations	Methods of Financing State Aid	Methods of Financing Local Sources	Methods of Financing Total	Fund Balance June 30, 2020
Waverly Boiler Replacement	$ 1,000,000	$ 755,313	$ 159,422	$ 595,891	$ 755,313	$ -	$ -	$ -	$ 755,313	$ 755,313	$ -
District-wide Renovations	-	244,687		143,799	143,799	100,888			244,687	244,687	100,888
Greenvale Roof and Masonry Replacement	1,000,000	902,905	84,533	818,372	902,905	-			902,905	902,905	
Anne Hutchinson Boiler Replacement	1,500,000	1,597,095		1,243,230	1,243,230	353,865			1,597,095	1,597,095	353,865
TOTAL	$ 3,500,000	$ 3,500,000	$ 243,955	$ 2,801,292	$ 3,045,247	$ 454,753	$ -	$ -	$ 3,500,000	$ 3,500,000	$ 454,753

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

EASTCHESTER UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
NET INVESTMENTS IN CAPITAL ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Capital assets, net		$ 77,033,101
Add:		
Deferred amounts on refunding		227,648
		77,260,749
Deduct:		
Short-term portion of bonds payable	3,809,745	
Long-term portion of bonds payable	41,166,025	
Short-term portion of energy performance contract debt	413,957	
Long-term portion of energy performance contract debt	3,386,772	
Less: tax certiorari bonds payable	(2,787,000)	(45,989,499)
Net investment in capital assets		$ 31,271,250

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

Robert S. Abrams
(1926–2014)

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

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Eastchester Union Free School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary funds of the Eastchester Union Free School District, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Eastchester Union Free School District's basic financial statements, and have issued our report thereon dated September 29, 2020.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

R S Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
September 29 2020

FORM OF APPROVING LEGAL OPINION

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

March 30, 2021

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

Ladies and Gentlemen:

We have acted as Bond Counsel to Eastchester Union Free School District (the "School District"), in the County of Westchester, New York, a school district of the State of New York, in connection with the authorization, sale, and issuance of the $6,545,000* School District Refunding Serial Bonds – 2021 (the "Bonds"), dated and delivered on the date hereof.

We have examined a record of proceedings relating to the Bonds for purposes of this opinion. 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 Bonds are valid and legally binding general obligations 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 Bonds and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Bonds 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 Bonds 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 Bonds 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 Bonds in order that the interest on the Bonds be and remain excluded 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 Bonds, restrictions on the investment of proceeds of the Bonds 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 Bonds to become subject to federal income taxation retroactive to their date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the School District will execute a Tax Certificate relating to the Bonds 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 Bonds will, for federal income tax purposes, be excluded from gross income.

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* Preliminary, subject to change.

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 Bonds, 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 Bonds 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 Bonds, 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 Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Bonds 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 Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP