

**Putnam Valley Central School District, New York**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2021



# Putnam Valley Central School District, New York

## Table of Contents

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	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
District-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	22
Notes to Financial Statements	23
Required Supplementary Information	
Other Post Employment Benefits	
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	53
New York State Teachers' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	54
Schedule of Contributions	54
New York State and Local Employees' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability	55
Schedule of Contributions	55
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	56
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	57
Schedule of Revenues and Other Financing Sources Compared to Budget	59
Schedule of Expenditures and Other Financing Uses Compared to Budget	61
Special Aid Fund	
Comparative Balance Sheet	65
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	66

## Putnam Valley Central School District, New York

### Table of Contents (Concluded)

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	<u>Page No.</u>
Debt Service Fund	
Comparative Balance Sheet	67
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	68
Capital Projects Fund	
Comparative Balance Sheet	69
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	70
Project-Length Schedule	71
Non-Major Governmental Funds	
Combining Balance Sheet	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	74
School Lunch Fund	
Comparative Balance Sheet	75
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	76
Special Purpose Fund	
Comparative Balance Sheet	77
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	78
Supplementary Information	
Analysis of Change from Adopted Budget to Final Budget	79
Section 1318 of Real Property Tax Law Limit Calculation	79
Schedule of Net Investment in Capital Assets	80
Federal Programs	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	81
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	83
Schedule of Expenditures of Federal Awards	85
Notes to Schedule of Expenditures of Federal Awards	86
Schedule of Findings and Questioned Costs	87
Summary Schedule of Prior Audit Findings	89



## Independent Auditors' Report

**The Board of Education of the  
Putnam Valley Central School District, New York**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Putnam Valley Central School District, New York ("School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 aggregate remaining fund information of the School District, as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matters**

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the School District as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated September 17, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2020.

#### **Other Reporting Required by *Government Auditing Standards***

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

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

September 7, 2021

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# Putnam Valley Central School District, New York

Management's Discussion and Analysis (MD&A)  
June 30, 2021

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## Introduction

Our discussion and analysis of the Putnam Valley Central School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2021. It should be read along with the basic financial statements, which immediately follows this section, to enhance the understanding of the School District's financial performance.

## Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4.0% of the ensuing year's budget, exclusive of the amount assigned for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,128,394.
- As of the close of the current fiscal year, the School District's governmental fund financial statements report a combined ending fund balance of \$4,152,282, a decrease of \$7,866,690 from the prior year. The decrease represents the Capital Facilities project expended during 2018-19, 19-20 and 20-21 from the Capital Projects Fund. Exclusive of the Capital Projects Fund amount of (\$12,222,950), the combined ending fund balances are \$16,375,232. Of this amount, the unassigned fund balance is \$2,128,394. This amount is available for spending at the discretion of the School District.
- On the district-wide financial statements, the liabilities and deferred inflows of resource exceeded the assets and deferred outflows of resources of the School District at the close of its most recent fiscal year by \$37,848,805. The School District's total net position decreased by \$4,110,714 for the year ended June 30, 2021.
- At June 30, 2021, the School District reported in its Statement of Net Position a liability of \$14,453 for its proportionate share of the New York State and Local Employees' Retirement System ("ERS") and \$3,242,650 for the New York State Teachers' Retirement System ("TRS"). More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in note 3E in the notes to financial statements.

## Overview of the Financial Statements

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

### ***District-Wide Financial Statements***

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

### ***Fund Financial Statements***

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

- The School District maintains six individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid, Debt Service and Capital Projects funds, since the School District has elected to report them as major funds.
- The School District adopts an annual budget for its General Fund and Special Aid Fund. A budgetary comparison statement has been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets.

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

### ***Notes to Financial Statements***

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

### ***Other Information***

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

## **District-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the School District's financial situation. This MD&A includes a summary of two district-wide statements that focus on operations of the School District as a whole. These statements measure inputs and outflows using an economic resources measurement focus, and use the accrual basis of accounting. Activities that are fiduciary in nature are not included in these statements.

In the case of the Putnam Valley Central School District, New York, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$37,848,805 at the close of the current fiscal year.

## Net Position

	June 30,	
	2021	2020
Current Assets	\$ 22,699,086	\$ 21,131,115
Net Pension Asset	-	3,101,500
Capital Assets, net	47,483,499	38,923,350
<b>Total Assets</b>	<b>70,182,585</b>	<b>63,155,965</b>
Deferred Outflows of Resources		
Deferred charges on refunding bonds	162,385	213,835
Pension related	14,291,898	12,473,726
OPEB related	12,648,690	10,625,096
	27,102,973	23,312,657
Current Liabilities	18,802,727	9,330,731
Non-Current Liabilities	110,034,333	106,099,405
<b>Total Liabilities</b>	<b>128,837,060</b>	<b>115,430,136</b>
Deferred Inflows of Resources		
Pension related	6,297,303	4,776,577
Net Position		
Net investment in capital assets	24,099,482	20,511,407
Restricted for		
Future capital projects	1,929,523	1,002,487
Repairs	30,737	30,691
Special purpose	192,217	114,313
Property loss and liability	678,361	377,794
Tax certiorari	1,170,429	550,938
Debt service	3,627,729	3,535,883
Retirement contributions	3,277,145	2,826,577
Unrestricted	(72,854,428)	(62,688,181)
<b>Total Net Position</b>	<b>\$ (37,848,805)</b>	<b>\$ (33,738,091)</b>

A large component of the School District's net position is its investment in capital assets, less any outstanding related debt used to acquire those assets. The School District uses these capital assets to provide services to students and therefore, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

As of June 30, 2021, the School District reported a net pension liability and deferred inflows/outflows of resources as calculated by the New York State Teachers' and Local Employees' Retirement systems. This liability and the net deferrals are not in custody of, nor are they accessible by the School District; rather these represent the School District's share of the calculated excess/shortfall of the respective retirement systems. Please see Note 3E of the financial statements for more information on these pension items.

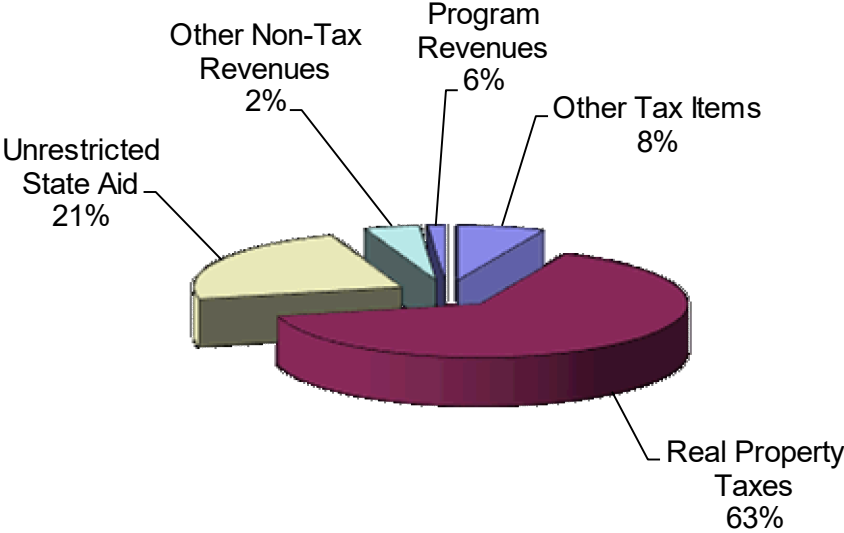
The restricted net position subject to external restrictions constitute is \$10,906,141.

Net position decreased by \$4,198,272 for the year ended June 30, 2021.

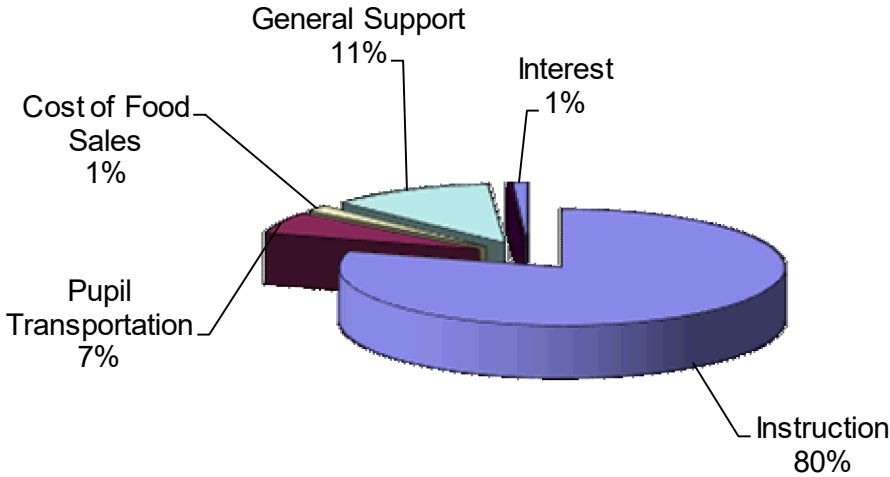
### Changes in Net Position

	Years Ended	
	June 30,	
	2021	2020
<b>Revenues</b>		
<b>Program Revenues</b>		
Charges for Services	\$ 272,113	\$ 475,251
Operating Grants and Contributions	1,798,825	1,395,256
Capital Grants and Contributions	108,350	33,267
	2,179,288	1,903,774
<b>General Revenues</b>		
Real Property Taxes	34,381,550	33,674,768
Other Tax Items	3,578,143	3,794,009
Non-Property Taxes	88,699	78,011
Unrestricted Earnings on Investments	8,267	251,367
Unrestricted State Aid	12,267,374	11,118,910
Insurance Recoveries	665	7,203
Miscellaneous	607,982	376,575
	50,932,680	49,300,843
Total General Revenues	50,932,680	49,300,843
Total Revenues	53,111,968	51,204,617
<b>Program Expenses</b>		
General Support	6,727,746	6,782,607
Instruction	45,600,394	45,754,975
Pupil Transportation	3,367,052	3,680,189
Cost of Food Sales	912,729	492,295
Other	131,337	82,875
Interest	570,982	492,517
	57,310,240	57,285,458
Total Program Expenditures	57,310,240	57,285,458
Change in Net Position	(4,198,272)	(6,080,841)
<b>Net Position</b>		
Beginning as reported	(33,738,091)	(27,657,250)
Cumulative Effect of Change in Accounting Principle	87,558	-
Beginning as restated	(33,650,533)	(27,657,250)
Ending	\$ (37,848,805)	\$ (33,738,091)

**Revenues by Sources for Fiscal Year 2021**



**Expenses for Fiscal Year 2021  
Governmental Activities**



## The major changes are as follows:

### Revenues

- The School District relies upon real property taxes (65%) as its primary revenue source.
- Real property Taxes: The tax levy increased in the amount of \$706,782, the allowable amount under the tax cap law and the extent needed to fund the budget.
- Use of money and property: A decrease in Earnings on Investments of \$243,100 was attributed to significant decrease in interest rates in 2020-2021 school year due to the pandemic.
- Charges for Services: There was an increase in the Day School Tuition account of \$130,000; this is attributed to foster tuition received.
- State Aid: General Aid and Excess Cost Aid increased from the prior year by approximately \$1M; an anticipated cut of 20% in State aid occurred during the pandemic which was later restored during the fiscal year.
- BOCES Revenue (Miscellaneous): A \$231,000 increase was generated by 2019-20 BOCES Aid. Originally, the District anticipated a 20% reduction which was restored. Also, additional instructional computer equipment was ordered to help increase the aid in the future year in case there was a freeze.
- The District also received \$151K in pandemic aid to help pay for COVID related expenses incurred from March 2020 forward.

### Expenditures

- Central Services increased by \$472,000 for Construction Management Services rendered for the 2018 Capital Project.
- Instructional Media decreased in 2020-21 by \$270,000. The District pre-ordered some computer equipment at the end of 2019-20 to maximize BOCES aid for the 2020-21 school year with threats of aid being frozen at a lower amount.
- Employee benefits: increased by \$400,000, there was an increase in the number of retirement incentives and an increase in the TRS rate increase.

## Financial Analysis of the School District's Funds

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

### ***Governmental Funds***

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. In particular, *unassigned fund balance* may serve as a useful

measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$4,152,282 a decrease of \$7,866,690 from the prior year. Of this amount, the *unassigned* fund balance of \$2,128,394 (net of the Capital Projects and Special Aid Fund deficits) is available for spending at the School District's discretion. The remainder of fund balances is either Nonspendable, Restricted, or Assigned to indicate they're unavailable for spending because they have already been committed to honor the specific purposes for which it can be spent. The nonspendable fund balance of \$287,149 consists of assets that are inherently unspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, and principal of endowments. The restricted fund balance of \$12,601,193 consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Included within the restricted fund balances are reserves for tax certiorari \$1,170,429, special purpose \$192,217, employee benefit accrued liability \$1,445,052, retirement contributions \$3,027,145, retirement contributions for subsequent year's expenditures \$500,000, property loss and liability of \$678,361, repairs restriction of \$30,737, future capital projects of \$1,929,523 and debt service \$3,627,729. The assigned fund balance of \$1,364,337 consists of amounts that are subject to a purpose constraint that represents an intended use established by the Board of Education. Included within the assigned fund balances are encumbrances of \$449,771, school lunch fund \$64,566 and a designation for subsequent year's expenditures of \$800,000.

### **General Fund Budgetary Highlights**

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$12,485,281, of which \$2,128,394 or 4% of the ensuing year's budget was unassigned. As previously mentioned, New York State Law limits the amount of unassigned fund balance that can be retained to 4.0% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

General Fund revenue received was \$1,589,556 more than budgeted. The positive variances were exhibited throughout entire revenue budget. Revenues such as aid increases, increased interest rates as well as an unplanned out-of-district tuition reimbursement were the factor.

Expenditures were below the final budget. After encumbrances of \$499,771 expenditure savings were \$3,290,576. Savings were exhibited throughout the budget. General Support, Instruction and Employee Benefits.

The original General Fund budget anticipated the use of \$2,700,813 of fund balance; \$1,420,813 from prior year encumbrances and \$1,280,000 from assigned fund balance.

### **Capital Assets**

At June 30, 2021, the School District had \$47,483,499, net of accumulated depreciation invested in capital assets, including land, buildings and improvements, machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.



<u>Class</u>	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 2,891,200	\$ 2,891,200
Construction-in-Progress	12,654,476	2,911,435
Buildings and Improvements	29,500,853	30,862,735
Machinery and Equipment	<u>2,436,970</u>	<u>2,257,980</u>
Total Capital Assets, net of accumulated depreciation	<u>\$ 47,483,499</u>	<u>\$ 38,293,350</u>

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

### Long-Term Debt

The School District had general obligation and other long-term debt outstanding as follows:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
General Obligation Bonds payable	\$ 5,492,286	\$ 7,187,306
Energy Performance Contract Payable	5,770,995	6,165,788
Installment Purchase Debt Payable	60,171	78,586
Compensated Absences	1,463,582	1,497,979
Net Pension Liability	3,257,103	4,003,623
Other Post Employment Benefit Obligations Payable	<u>93,990,196</u>	<u>87,166,123</u>
	<u>\$ 110,034,333</u>	<u>\$ 106,099,405</u>

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

### Requests for Information

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

Putnam Valley Central School District  
Attn: Jill Figarella  
District Treasurer  
171 Oscawana Lake Rd.  
Putnam Valley, NY 10579

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**Putnam Valley Central School District, New York**

Statement of Net Position  
June 30, 2021

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 1,139,384
Investments	18,386,311
Receivables	
Accounts	130,603
State and Federal aid	1,322,295
Due from other governments	1,433,344
Inventories	11,280
Prepaid expenses	275,869
Capital assets	
Not being depreciated	15,545,676
Being depreciated, net	31,937,823
Total Assets	<u>70,182,585</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charges on refunding bonds	162,385
Pension related	14,291,898
OPEB related	12,648,690
Total Deferred Outflows of Resources	<u>27,102,973</u>
 <b>LIABILITIES</b>	
Accounts payable	1,616,824
Accrued liabilities	220,963
Unearned revenue	25,443
Bond anticipation notes payable	14,470,343
Due to other governments	95
Due to retirement systems	2,213,136
Accrued interest payable	255,923
Non-current liabilities	
Due within one year	1,266,849
Due in more than one year	108,767,484
Total Liabilities	<u>128,837,060</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	6,297,303
 <b>NET POSITION</b>	
Net investment in capital assets	24,099,482
Restricted	
Future capital projects	1,929,523
Repairs	30,737
Special purpose	192,217
Property loss and liability	678,361
Tax certiorari	1,170,429
Debt service	3,627,729
ERS Retirement contributions	2,076,177
TRS Retirement contributions	1,200,968
Unrestricted	<u>(72,854,428)</u>
Total Net Position	<u>\$ (37,848,805)</u>

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

**Putnam Valley Central School District, New York**

Statement of Activities  
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General support	\$ 6,727,746	\$ -	\$ 6,723	\$ -
Instruction	45,600,394	272,669	1,036,362	-
Pupil transportation	3,367,052	-	-	-
Cost of food sales	912,729	(556)	634,057	-
Other	131,337	-	121,683	-
Interest	570,982	-	-	108,350
<b>Total Governmental Activities</b>	<b>\$ 57,310,240</b>	<b>\$ 272,113</b>	<b>\$ 1,798,825</b>	<b>\$ 108,350</b>

General revenues

- Real property taxes
- Other tax items
  - School tax relief reimbursement
  - Interest and penalties on real property taxes
- Non-property taxes
  - Non-property tax distribution from County
- Unrestricted earnings on investments
- Unrestricted State aid
- Insurance recoveries
- Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning as reported

Cumulative Effect of Change in Accounting Principle

Net Position - Beginning as restated

Net Position - Ending

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

<hr/>	
	Net (Expense)
	Revenue and
	Changes in
	Net Position
<hr/>	
\$	(6,721,023)
	(44,291,363)
	(3,367,052)
	(279,228)
	(9,654)
	(462,632)
<hr/>	
	(55,130,952)
<hr/>	
	34,381,550
	3,536,070
	42,073
	88,699
	8,267
	12,267,374
	665
	607,982
<hr/>	
	50,932,680
<hr/>	
	(4,198,272)
<hr/>	
	(33,738,091)
	87,558
<hr/>	
	(33,650,533)
<hr/>	
\$	<u>(37,848,805)</u>

**Putnam Valley Central School District, New York**

Balance Sheet  
 Governmental Funds  
 June 30, 2021

	General	Special Aid	Debt Service
<b>ASSETS</b>			
Cash and equivalents	\$ 787,787	\$ 134,177	\$ -
Investments	16,064,047	-	-
Receivables			
Accounts	130,603	-	-
State and Federal aid	441,143	685,911	-
Due from other governments	1,433,344	-	-
Due from other funds	845,005	-	3,627,729
Inventories	-	-	-
Prepaid expenditures	275,869	-	-
	<u>19,977,798</u>	<u>820,088</u>	<u>3,627,729</u>
Total Assets	<u>\$ 19,977,798</u>	<u>\$ 820,088</u>	<u>\$ 3,627,729</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable	\$ 1,526,964	\$ -	\$ -
Accrued liabilities	220,963	-	-
Unearned revenue	-	-	-
Bond anticipation notes payable	-	-	-
Due to other funds	3,531,454	825,929	-
Due to other governments	-	-	-
Due to retirement systems	2,213,136	-	-
	<u>7,492,517</u>	<u>825,929</u>	<u>-</u>
Total Liabilities	<u>7,492,517</u>	<u>825,929</u>	<u>-</u>
Fund balances (deficits)			
Nonspendable	275,869	-	-
Restricted	8,781,247	-	3,627,729
Assigned	1,299,771	-	-
Unassigned	2,128,394	(5,841)	-
	<u>12,485,281</u>	<u>(5,841)</u>	<u>3,627,729</u>
Total Fund Balances (Deficits)	<u>12,485,281</u>	<u>(5,841)</u>	<u>3,627,729</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 19,977,798</u>	<u>\$ 820,088</u>	<u>\$ 3,627,729</u>

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 50,273	\$ 167,147	\$ 1,139,384
2,322,264	-	18,386,311
-	-	130,603
-	195,241	1,322,295
-	-	1,433,344
539,957	28,870	5,041,561
-	11,280	11,280
-	-	275,869
<u>\$ 2,912,494</u>	<u>\$ 402,538</u>	<u>\$ 27,740,647</u>
\$ -	\$ 89,860	\$ 1,616,824
-	-	220,963
-	25,443	25,443
14,470,343	-	14,470,343
665,101	19,077	5,041,561
-	95	95
-	-	2,213,136
<u>15,135,444</u>	<u>134,475</u>	<u>23,588,365</u>
-	11,280	287,149
-	192,217	12,601,193
-	64,566	1,364,337
(12,222,950)	-	(10,100,397)
<u>(12,222,950)</u>	<u>268,063</u>	<u>4,152,282</u>
<u>\$ 2,912,494</u>	<u>\$ 402,538</u>	<u>\$ 27,740,647</u>

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**Putnam Valley Central School District, New York**

Reconciliation of Governmental Funds Balance Sheet to  
the District-Wide Statement of Net Position  
June 30, 2021

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

Total Fund Balances - Governmental Funds	<u>\$ 4,152,282</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	15,545,676
Capital assets - depreciable	52,215,453
Accumulated depreciation	<u>(20,277,630)</u>
	<u>47,483,499</u>
Governmental funds do not report the effect of losses on refunding bonds, assets or liabilities related to net pension assets (liabilities) and other postemployment benefit obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred outflows - pension related	14,291,898
Deferred outflows - OPEB related	12,648,690
Deferred inflows - pension related	<u>(6,297,303)</u>
	<u>20,643,285</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(255,923)
General obligation bond payable	(4,579,911)
Energy performance contract payable	(5,770,995)
Installment purchase debt	(60,171)
Net pension liability - ERS	(14,453)
Net pension liability - TRS	(3,242,650)
Compensated absences	(1,463,582)
Total OPEB liability	<u>(93,990,196)</u>
	<u>(109,377,881)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	162,385
Premium on general obligation bonds	<u>(912,375)</u>
	<u>(749,990)</u>
Net Position of Governmental Activities	<u><u>\$ (37,848,805)</u></u>

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

**Putnam Valley Central School District, New York**

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

	General	Special Aid	Debt Service	Capital Projects
<b>REVENUES</b>				
Real property taxes	\$ 34,381,550	\$ -	\$ -	\$ -
Other tax items	3,578,143	-	-	-
Non-property taxes	88,699	-	-	-
Charges for services	272,669	-	-	-
Use of money and property	16,494	-	106,846	-
State aid	12,420,674	140,591	-	-
Federal aid	151,208	591,263	-	-
Food sales	-	-	-	-
Miscellaneous	607,982	-	-	-
<b>Total Revenues</b>	<b>51,517,419</b>	<b>731,854</b>	<b>106,846</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current				
General support	5,006,980	-	-	-
Instruction	27,587,100	928,889	-	-
Pupil transportation	2,823,462	-	-	-
Employee benefits	11,371,822	-	-	-
Cost of food sales	-	-	-	-
Other	-	-	-	-
Debt service				
Principal	1,968,208	-	-	-
Interest	534,659	-	-	-
Capital outlay	-	-	-	9,743,041
<b>Total Expenditures</b>	<b>49,292,231</b>	<b>928,889</b>	<b>-</b>	<b>9,743,041</b>
Excess (Deficiency) of Revenues Over Expenditures	2,225,188	(197,035)	106,846	(9,743,041)
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	665	-	-	-
Transfers in	-	191,194	-	52,500
Transfers out	(228,694)	-	(15,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(228,029)</b>	<b>191,194</b>	<b>(15,000)</b>	<b>52,500</b>
<b>Net Change in Fund Balances</b>	<b>1,997,159</b>	<b>(5,841)</b>	<b>91,846</b>	<b>(9,690,541)</b>
<b>FUND BALANCES (DEFICITS)</b>				
Beginning of Year, as restated	10,488,122	-	3,535,883	(2,532,409)
End of Year	<u>\$ 12,485,281</u>	<u>\$ (5,841)</u>	<u>\$ 3,627,729</u>	<u>\$ (12,222,950)</u>

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 34,381,550
-	3,578,143
-	88,699
-	272,669
31	123,371
21,966	12,583,231
611,535	1,354,006
(556)	(556)
122,208	730,190
<u>755,184</u>	<u>53,111,303</u>
-	5,006,980
-	28,515,989
-	2,823,462
-	11,371,822
883,160	883,160
131,337	131,337
-	1,968,208
-	534,659
-	9,743,041
<u>1,014,497</u>	<u>60,978,658</u>
<u>(259,313)</u>	<u>(7,867,355)</u>
-	665
-	243,694
-	(243,694)
<u>-</u>	<u>665</u>
(259,313)	(7,866,690)
<u>527,376</u>	<u>12,018,972</u>
<u>\$ 268,063</u>	<u>\$ 4,152,282</u>

## Putnam Valley Central School District, New York

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

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

Net Change in Fund Balances - Total Governmental Funds \$ (7,866,690)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures	10,227,275
Depreciation expense	<u>(1,667,126)</u>

8,560,149

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal paid on general obligation bonds	1,555,000
Principal paid on energy performance contract	394,793
Principal paid on installment purchase debt	<u>18,415</u>

1,968,208

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	(124,893)
Compensated absences	34,397
Changes in pension liabilities and related deferred outflows and inflows of resources	(2,057,534)
Changes in OPEB and related deferred outflows and inflows of resources	(4,800,479)
Amortization of loss on refunding bonds and issuance premium	<u>88,570</u>

(6,859,939)

Change in Net Position of Governmental Activities \$ (4,198,272)

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

**Putnam Valley Central School District, New York**

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 33,710,949	\$ 34,474,879	\$ 34,381,550	\$ (93,329)
Other tax items	4,345,000	3,581,070	3,578,143	(2,927)
Non-property taxes	-	-	88,699	88,699
Charges for services	265,000	265,000	272,669	7,669
Use of money and property	77,600	77,600	16,494	(61,106)
State aid	11,314,314	11,163,106	12,420,674	1,257,568
Federal aid	-	151,208	151,208	-
Miscellaneous	215,000	215,000	607,982	392,982
<b>Total Revenues</b>	<b>49,927,863</b>	<b>49,927,863</b>	<b>51,517,419</b>	<b>1,589,556</b>
<b>EXPENDITURES</b>				
Current				
General support	5,554,405	5,698,293	5,006,980	691,313
Instruction	29,760,067	29,313,693	27,587,100	1,726,593
Pupil transportation	3,089,551	3,089,550	2,823,462	266,088
Employee benefits	11,846,703	12,018,009	11,371,822	646,187
Debt service				
Principal	2,426,793	2,428,374	1,968,208	460,166
Interest	491,226	534,659	534,659	-
<b>Total Expenditures</b>	<b>53,168,745</b>	<b>53,082,578</b>	<b>49,292,231</b>	<b>3,790,347</b>
Excess (Deficiency) of Revenues Over Expenditures	(3,240,882)	(3,154,715)	2,225,188	5,379,903
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	-	-	665	665
Transfers in	700,000	700,000	-	(700,000)
Transfers out	(159,931)	(246,098)	(228,694)	17,404
<b>Total Other Financing Sources (Uses)</b>	<b>540,069</b>	<b>453,902</b>	<b>(228,029)</b>	<b>(681,931)</b>
<b>Net Change in Fund Balances</b>	<b>(2,700,813)</b>	<b>(2,700,813)</b>	<b>1,997,159</b>	<b>4,697,972</b>
<b>FUND BALANCES</b>				
Beginning of Year	2,700,813	2,700,813	10,488,122	7,787,309
End of Year	\$ -	\$ -	\$ 12,485,281	\$ 12,485,281

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

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**Note 1 - Summary of Significant Accounting Policies**

The Putnam Valley Central School District, New York ("School District"), as presently constituted, was established in 1934 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District's significant accounting policies are described below:

**A. Financial Reporting Entity**

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

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

The School District participates in the Putnam-Northern Westchester Board of Cooperative Educational Services ("BOCES"). BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by the ratio which the component school district's full value of taxable properties in effect at the time of adoption bears to the total full value of taxable properties of all component school districts within the BOCES as defined in Education Law. Copies of BOCES' financial statements can be requested from Putnam-Northern Westchester BOCES, 200 BOCES Drive, Yorktown Heights, New York, 10598.

**B. District-Wide Financial Statements**

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

**C. Fund Financial Statements**

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

**Fund Categories**

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

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



**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

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

The School District also reports the following non-major governmental funds:

Special Revenue Funds:

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

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activity funds.

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

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as if the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues

**Note 1 - Summary of Significant Accounting Policies (Continued)**

from Federal and State grants are recognized as revenue when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety-day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, net pension liability and other post-employment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

**Cash and Equivalents, Investments and Risk Disclosure**

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

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

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

The School District utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

The School District participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30<sup>th</sup>.

The School District's position in the pool in the amount of \$18,386,311 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days. CLASS is rated AAAM by Standard & Poor's. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17<sup>th</sup> Street, Suite 1850, Denver, CO 80202.

**Risk Disclosure**

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

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2021.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**Property Taxes Receivable** - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable on that date. The School District is responsible for the billing and collection of taxes through October 31st, at which time the responsibility for uncollected taxes is transferred to the County. On or about April 1st, the County remits to the School District the balance of all uncollected taxes thus making the School District whole.

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

**Due From/To Other Funds** - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consists of insurance costs and other charges for services, which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent years budget and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

**Capital Assets** - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	7-50
Machinery and Equipment	5-20

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

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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

The School District also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities. These amounts are detailed in the discussion of the School District’s pension and other postemployment benefit liabilities in Note 3E.

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

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

**Compensated Absences** - The various collective bargaining agreements provide for the payment of accumulated sick leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through

**Note 1 - Summary of Significant Accounting Policies (Continued)**

employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

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

**Other Post Employment Benefit Liability ("OPEB")** - In addition to providing pension benefits, the City provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions".

**Net Position** - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

*Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the School District includes restricted for future capital projects, repairs, special purpose, property loss and liability, tax certioraris, debt service, ERS retirement contributions and TRS retirement contributions.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

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

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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

**F. Encumbrances**

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**G. Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 7, 2021.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

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

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



**Note 2 - Stewardship, Compliance and Accountability (Continued)**

- g) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, Debt Service, School Lunch or Special Purpose funds since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

**B. Limitation on Fund Balance**

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

**C. Property Tax Limitation**

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

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

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

**D. Fund Deficits**

*Capital Project Fund*

The deficits of \$285,054 in the School Buses and \$11,988,055 in the Middle School and District-wide Improvement projects arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes issued are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. Deficits in these projects will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

*Special Aid Fund*

The deficit of \$5,841 in the CRSSA-ESSER 2 grant arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The income to finance these expenses are not recognized until the grant application is approved. The deficit in this fund will be reduced and eliminated once the School District is able to recognize the income.

**E. Adoption of Accounting Standard**

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

**F. Reclassification of Prior Year Presentation**

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

**G. Cumulative Effect of Change in Accounting Principle**

The School District implemented the provisions of GASB Statement No.84, "*Fiduciary Activities*", for the year ended June 30, 2021. Certain amounts previously reported in the School District's Fiduciary Fund are now being reported within the Special Purpose Fund and/or the General Fund. As a result, the School District has reported a cumulative effect of change in accounting principle of \$91,453 to the July 1, 2019 fund balance of the Special Purpose Fund (the earliest year presented). The School District also reported on its Statement of Activities a cumulative effect of change in accounting principle of \$87,558 to the July 1, 2020 net position of governmental activities for this same reason.

**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2021

**Note 3 - Detailed Notes on All Funds**

**A. Interfund Receivables/Payables**

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

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 845,005	\$ 3,531,454
Special Aid	-	825,929
Debt Service	3,627,729	-
Capital Projects	539,957	665,101
Non-Major Governmental	28,870	19,077
	<u>\$ 5,041,561</u>	<u>\$ 5,041,561</u>

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

**B. Capital Assets**

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

<u>Class</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Capital Assets, not being depreciated:				
Land	\$ 2,891,200	\$ -	\$ -	\$ 2,891,200
Construction-in-Progress	2,911,435	9,743,041	-	12,654,476
Total Capital Assets, not being depreciated	<u>\$ 5,802,635</u>	<u>\$ 9,743,041</u>	<u>\$ -</u>	<u>\$ 15,545,676</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 47,914,820	\$ 24,108	\$ -	\$ 47,938,928
Machinery and Equipment	4,042,578	460,126	226,179	4,276,525
Total Capital Assets, being depreciated	<u>51,957,398</u>	<u>484,234</u>	<u>226,179</u>	<u>52,215,453</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	17,052,085	1,385,990	-	18,438,075
Machinery and Equipment	1,784,598	281,136	226,179	1,839,555
Total Accumulated Depreciation	<u>18,836,683</u>	<u>1,667,126</u>	<u>226,179</u>	<u>20,277,630</u>
Total Capital Assets, being depreciated, net	<u>\$ 33,120,715</u>	<u>\$ (1,182,892)</u>	<u>\$ -</u>	<u>\$ 31,937,823</u>
Capital Assets, net	<u>\$ 38,923,350</u>	<u>\$ 8,560,149</u>	<u>\$ -</u>	<u>\$ 47,483,499</u>

**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

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

General Support	\$ 714,136
Instruction	872,567
Pupil Transportation	50,854
Cost of Food Sales	<u>29,569</u>
<b>Total Depreciation Expense</b>	<b><u>\$ 1,667,126</u></b>

**C. Accrued Liabilities**

Accrued liabilities at June 30, 2021 were as follows:

	<u>General Fund</u>
Payroll and Employee Benefits	<u>\$ 220,963</u>

**D. Short-Term Capital Borrowings**

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Rate of Interest	Maturity Date	Balance July 1, 2020	New Issues	Redemptions	Balance June 30, 2021
School Buses	2019	0.76 %	October, 2021	\$ 322,843	\$ -	\$ 37,500	\$ 285,343
Construction	2019	1.75	July, 2021	<u>5,000,000</u>	<u>9,200,000</u>	<u>15,000</u>	<u>14,185,000</u>
				<u>\$ 5,322,843</u>	<u>\$ 9,200,000</u>	<u>\$ 52,500</u>	<u>\$ 14,470,343</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within seven years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$45,082 were recorded in the fund financial statements in the General Fund. Interest expense of \$176,248 was recorded in the district-wide financial statements.

**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)

June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

**E. Long-Term Liabilities**

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

	Balance, July 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2021	Due Within One-Year
General Obligation Bonds Payable	\$ 6,134,911	\$ -	\$ 1,555,000	\$ 4,579,911	\$ 695,000
Plus					
Unamortized premium on bonds	1,052,395	-	140,020	912,375	-
	<u>7,187,306</u>	<u>-</u>	<u>1,695,020</u>	<u>5,492,286</u>	<u>695,000</u>
Other Non-current Liabilities					
Energy Performance Contract Payable	6,165,788	-	394,793	5,770,995	406,636
Installment Purchase Debt Payable	78,586	-	18,415	60,171	19,213
Net Pension Liability (Asset) - TRS	(3,101,500)	6,344,150	-	3,242,650	-
Net Pension Liability - ERS	4,003,623	-	3,989,170	14,453	-
Compensated Absences	1,497,979	-	34,397	1,463,582	146,000
Other Post Employment Benefit Liability	87,166,123	9,011,476	2,187,403	93,990,196	-
Total Other Non-Current Liabilities	<u>95,810,599</u>	<u>15,355,626</u>	<u>6,624,178</u>	<u>104,542,047</u>	<u>571,849</u>
Total Long-Term Liabilities	<u>\$ 102,997,905</u>	<u>\$ 15,355,626</u>	<u>\$ 8,319,198</u>	<u>\$ 110,034,333</u>	<u>\$ 1,266,849</u>

The liabilities for general obligation bonds payable, energy performance contract payable, installment purchase debt payable, net pension liability, compensated absences and other post-employment benefit liability are liquidated by the General Fund.

**General Obligation Bonds Payable**

General obligation Bonds payable at June 30, 2021 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2021
Refunding bonds	2015	<u>\$ 9,545,000</u>	June, 2028	4.00 - 5.0 %	<u>\$ 4,579,911</u>

Interest expenditures of \$278,450 were recorded in the fund financial statements in the General Fund. Interest expense of \$188,705 was recorded in the district-wide financial statements.

**Energy Performance Contract Payable**

The School District entered into a lease agreement to finance the costs of energy saving equipment and/or to upgrade existing facilities to enhance performance. The terms of this agreement provided for the repayment of the principal amount of \$6,921,212 in annual installments through February, 2033 with an interest rate of 3.318%.

Interest expenditures of \$207,721 were recorded in the fund financial statements in the General Fund. Interest expense of \$202,623 was recorded in the district-wide financial statements. The balance due at June 30, 2021 was \$5,770,995.

**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

**Installment Purchase Debt Payable**

The School District has entered into an agreement to finance the cost of purchasing equipment. The terms of the agreement provide for repayment in annual installments, through 2023, including interest at a rate of 4.25%. Interest expense/expenditures of \$3,406 was charged to the fund and district-wide financial statements. The balance due at June 30, 2021 was \$60,171.

**Payments to Maturity**

The annual requirements to amortize all bonded, energy performance contract and installment purchase debt outstanding as of June 30, 2021 including interest payments of \$2,233,112 are as follows:

Year Ending June 30,	General Obligation Bonds Payable		Energy Performance Contract		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 695,000	\$ 229,000	\$ 406,636	\$ 194,421	\$ 19,213	\$ 2,608	\$ 1,120,849	\$ 426,029
2023	685,000	194,250	418,835	180,721	20,045	1,776	1,123,880	376,747
2024	670,000	160,000	431,401	166,611	20,913	906	1,122,314	327,517
2025	655,000	126,500	444,343	152,077	-	-	1,099,343	278,577
2026	640,000	93,750	457,673	137,108	-	-	1,097,673	230,858
2027-2031	1,234,911	92,250	2,502,742	444,797	-	-	3,737,653	537,047
2032-2033	-	-	1,109,365	56,337	-	-	1,109,365	56,337
	<u>\$ 4,579,911</u>	<u>\$ 895,750</u>	<u>\$ 5,770,995</u>	<u>\$ 1,332,072</u>	<u>\$ 60,171</u>	<u>\$ 5,290</u>	<u>\$ 10,411,077</u>	<u>\$ 2,233,112</u>

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

**Legal Debt Margin**

The School District is subject to legal limitations on the amount of debt that it may issue. The School District’s legal debt margin is 10% of the five year average full valuation of taxable real property. At June 30, 2021, that amount was \$147,828,413. As of June 30, 2021, the total outstanding debt applicable to the limit was \$19,050,254, which is 12.89% of the total debt limit.

**Pension Plans**

*New York State and Local Retirement System and Teachers’ Retirement System*

The School District participates in the New York State and Local Employees’ Retirement System (“ERS”). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund (“Fund”), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or

**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)  
 June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at [www.osc.state.ny.us/retire/about\\_us/financial\\_statements\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

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

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	16.2 %
	5 A15	13.5
	6 A15	9.7
TRS	1-6	9.53 %

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	\$ 14,453	\$ 3,242,650
School Districts' proportion of the net pension liability	0.0145145 %	0.117348 %
Change in proportion since the prior measurement date	(0.0006046) %	(0.002032) %

**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)  
 June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

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

For the year ended June 30, 2021, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$4,636,340 (\$330,515 for ERS and \$4,305,825 for TRS). Pension expenditures of \$2,567,413 (\$684,047 for ERS and \$1,883,366 for TRS) and \$11,393 (\$4,827 for ERS and \$6,566 for TRS) were recorded in the fund financial statements and were charged to the General and Special Aid Funds, respectively.

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

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 176,506	\$ -	\$ 2,841,210	\$ 166,180
Changes of assumptions	2,657,379	50,119	4,101,197	1,461,862
Net difference between projected and actual earnings on pension plan investments	-	4,151,657	2,117,734	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	116,451	127,116	198,335	340,369
School District contributions subsequent to the measurement date	193,154	-	1,889,932	-
	<u>\$ 3,143,490</u>	<u>\$ 4,328,892</u>	<u>\$ 11,148,408</u>	<u>\$ 1,968,411</u>
	<u>Total</u>			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 3,017,716	\$ 166,180		
Changes of assumptions	6,758,576	1,511,981		
Net difference between projected and actual earnings on pension plan investments	2,117,734	4,151,657		
Changes in proportion and differences between School District contributions and proportionate share of contributions	314,786	467,485		
School District contributions subsequent to the measurement date	2,083,086	-		
	<u>\$ 14,291,898</u>	<u>\$ 6,297,303</u>		



**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)

June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

\$193,154 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2022. The \$1,889,932 reported as deferred outflows of resources related to TRS will be recognized as a reduction of the net pension liability in the plan's year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2021	\$ -	\$ 1,201,013
2022	(254,179)	2,487,777
2023	(102,300)	2,048,929
2024	(220,821)	1,294,326
2025	(801,256)	87,771
Thereafter	-	170,249
	\$ (1,378,556)	\$ 7,290,065

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

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

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

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

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

**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)

June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

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

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

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

Asset Type	ERS March 31, 2020		TRS June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %	33 %	7.10 %
International Equity	15	6.15	16	7.70
Private Equity	10	6.75	8	10.40
Real Estate	9	4.95	11	6.80
Global Fixed Income Securities	-	-	2	1.00
Domestic Fixed Income Securities	-	-	16	1.80
Global Equities	-	-	4	7.40
Private Debt	-	-	1	5.20
Real Estate Debt	-	-	7	3.60
High Yield Fixed Income Securities	-	-	1	3.90
Opportunistic Portfolio/ARS Portfolio	3	4.65	-	-
Credit	4	3.63	-	-
Real Assets	3	5.95	-	-
Fixed Income	23	-	1	0.70
Cash	1	0.50	-	-
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.7% for ERS and 2.2% for TRS.

**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

The discount rate used to calculate the total pension liability was 5.90% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 7.10% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.90% for ERS and 6.10% for TRS) or 1 percentage point higher (6.90% for ERS and 8.10% for TRS) than the current rate:

	1% Decrease (4.90%)	Current Discount Rate (5.90%)	1% Increase (6.90%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 4,011,501</u>	<u>\$ 14,453</u>	<u>\$ (3,671,761)</u>
	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 20,482,700</u>	<u>\$ 3,242,650</u>	<u>\$ (11,226,122)</u>

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

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

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

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

**Note 3 - Detailed Notes on All Funds (Continued)**

wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2021 were \$193,154 to ERS and \$2,019,982 to TRS (including employee contribution of \$130,050).

*Voluntary Defined Contribution Plan*

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

**Compensated Absences**

Under the terms of the existing collective bargaining agreements, the School District is required to compensate teachers retiring from the School District for accumulated sick time to a maximum of 300 days. Teachers will be compensated at \$50 per day for unused leave up to 100 days and \$100 per day from 101-300 days. In addition, pursuant to existing collective bargaining agreements, the School District is required to compensate employees retiring from the School District for accumulated sick time to a maximum of 300 days for the twelve month employees and 250 days for ten month employees. Employees will be compensated at a rate of \$45 and \$40 per day, respectively, for any accumulations over 100 days. No payment will be made by the School District for unused vacation time upon separation from employment. The value of the compensated absences has been reflected in the district-wide financial statements.

**Other Post Employment Benefit Liability ("OPEB")**

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

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	168
Active employees	305
	<hr/>
	473
	<hr/> <hr/>

The School District's total OPEB liability of \$93,990,196 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019.

**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)  
 June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

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

Salary increases	3%, average, including inflation
Discount rate	2.09%
Healthcare cost trend rates	6.5% for 2020, decreasing 0.5% per year to an ultimate rate of 4.0% for 2025 and later years
Retirees' share of benefit-related costs	Retiree contribution rates vary by employee class and date of retirement.

The discount rate was based on an average of three 20-year bond indices (e.g., Bond Buyers, 20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of June 30, 2021.

The actuarial assumptions used in the June 30, 2021 valuation reflects the retirement from the active plan and is based on age and gender period. This is the assumption used by the TRS and ERS.

The School District's change in the total OPEB liability for the year ended June 30, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 87,166,123
Service cost	2,548,303
Interest	1,798,914
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	4,664,259
Benefit payments	<u>(2,187,403)</u>
Total OPEB Liability - End of Year	<u>\$ 93,990,196</u>

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

	1% Decrease (1.09%)	Current Discount Rate (2.09%)	1% Increase (3.09%)
Total OPEB Liability	<u>\$ 108,014,906</u>	<u>\$ 93,990,196</u>	<u>\$ 81,291,196</u>

**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)  
 June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.5% decreasing to 3.0%) or 1 percentage point higher (7.5% decreasing to 5.0%) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 3.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 4.0%)	1% Increase (7.5% decreasing to 5.0%)
Total OPEB Liability	<u>\$ 76,035,315</u>	<u>\$ 93,990,196</u>	<u>\$ 118,271,191</u>

For the year ended June 30, 2021 the School District recognized OPEB expense of \$6,987,882 in the district-wide financial statements. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 12,648,690	\$ -
Differences between expected and actual experience	<u>-</u>	<u>-</u>
	<u>\$ 12,648,690</u>	<u>\$ -</u>

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

Year Ended June 30,	
2022	\$ 2,640,665
2023	2,640,665
2024	2,640,665
2025	2,640,665
2026	1,419,709
Thereafter	<u>666,321</u>
	<u>\$ 12,648,690</u>

**Note 3 - Detailed Notes on All Funds (Continued)**

**F. Revenues and Expenditures**

**Interfund Transfers**

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

Transfers Out	Transfers In		Total
	Special Aid Fund	Capital Projects Fund	
General Fund	\$ 191,194	\$ 37,500	\$ 228,694
Debt Service Fund	-	15,000	15,000
	<u>\$ 191,194</u>	<u>\$ 52,500</u>	<u>\$ 243,694</u>

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

**G. Net Position**

The components of net position are detailed below:

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

*Restricted for Future Capital Projects* - the component of net position that has been established pursuant to Section 6c of the General Municipal Law of the State of New York to set aside funds to be used for future capital projects.

*Restricted for Repairs* - the component of net position that has been established pursuant to Section 6d of the General Municipal Law of the State of New York to pay the cost of major repairs to School District assets.

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

*Restricted for Property Loss and Liability* - the component of net position that has been established to set aside funds for the deductible provisions of the School District's insurance policies in accordance with Section 6n of the General Municipal Law of the State of New York.

**Putnam Valley Central School District, New York**

Notes to Financial Statements (Continued)

June 30, 2021

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**Note 3 - Detailed Notes on All Funds (Continued)**

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

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

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

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

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



Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)  
June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

**H. Fund Balances**

	2021					2020					
	General Fund	Special Aid Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
<b>Nonspendable</b>											
Inventories	\$ -	\$ -	\$ -	\$ -	\$ 11,280	\$ 11,280	\$ -	\$ -	\$ -	\$ 15,423	\$ 15,423
Prepaid expenditures	275,869	-	-	-	-	275,869	262,658	-	-	-	262,658
<b>Total Nonspendable</b>	<b>275,869</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,280</b>	<b>287,149</b>	<b>262,658</b>	<b>-</b>	<b>-</b>	<b>15,423</b>	<b>278,081</b>
<b>Restricted</b>											
Repairs	30,737	-	-	-	-	30,737	30,691	-	-	-	30,691
Property loss and liability	678,361	-	-	-	-	678,361	377,794	-	-	-	377,794
Tax certiorari	1,170,429	-	-	-	-	1,170,429	550,938	-	-	-	550,938
Tax certiorari for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-	-
Employee benefit accrued liability	1,445,052	-	-	-	-	1,445,052	895,684	-	-	-	895,684
Employee benefit accrued liability for subsequent year's expenditures	250,000	-	-	-	-	250,000	-	-	-	-	-
ERS retirement contributions	1,826,177	-	-	-	-	1,826,177	1,823,442	-	-	-	1,823,442
ERS retirement contributions - for subsequent year's expenditures	250,000	-	-	-	-	250,000	200,000	-	-	-	200,000
TRS retirement contributions	1,200,968	-	-	-	-	1,200,968	803,135	-	-	-	803,135
Future capital projects	1,929,523	-	-	-	-	1,929,523	1,002,487	-	-	-	1,002,487
Debt service	-	-	3,627,729	-	-	3,627,729	-	3,535,883	-	-	3,535,883
Capital projects	-	-	-	-	-	-	-	-	-	-	-
Special Purpose (1)	-	-	-	-	192,217	192,217	-	-	-	201,871	201,871
<b>Total Restricted</b>	<b>8,781,247</b>	<b>-</b>	<b>3,627,729</b>	<b>-</b>	<b>192,217</b>	<b>12,601,193</b>	<b>5,684,171</b>	<b>3,535,883</b>	<b>-</b>	<b>201,871</b>	<b>9,421,925</b>
<b>Assigned</b>											
Purchases on order											
General government support	224,553	-	-	-	-	224,553	790,573	-	-	-	790,573
Instruction	252,218	-	-	-	-	252,218	629,960	-	-	-	629,960
Pupil transportation	15,000	-	-	-	-	15,000	280	-	-	-	280
Employee benefits	8,000	-	-	-	-	8,000	-	-	-	-	-
	499,771	-	-	-	-	499,771	1,420,813	-	-	-	1,420,813
Subsequent year's expenditures	800,000	-	-	-	-	800,000	1,080,000	-	-	-	1,080,000
State aid reduction	-	-	-	-	-	-	303,614	-	-	-	303,614
School Lunch Fund	-	-	-	-	64,566	64,566	-	-	-	310,082	310,082
<b>Total Assigned</b>	<b>1,299,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,566</b>	<b>1,364,337</b>	<b>2,804,427</b>	<b>-</b>	<b>-</b>	<b>310,082</b>	<b>3,114,509</b>
<b>Unassigned</b>	<b>2,128,394</b>	<b>(5,841)</b>	<b>-</b>	<b>(12,222,950)</b>	<b>-</b>	<b>(10,100,397)</b>	<b>1,736,866</b>	<b>-</b>	<b>(2,532,409)</b>	<b>-</b>	<b>(795,543)</b>
<b>Total Fund Balance</b>	<b>\$ 12,485,281</b>	<b>\$ (5,841)</b>	<b>\$ 3,627,729</b>	<b>\$ (12,222,950)</b>	<b>\$ 268,063</b>	<b>\$ 4,152,282</b>	<b>\$ 10,488,122</b>	<b>\$ 3,535,883</b>	<b>\$ (2,532,409)</b>	<b>\$ 527,376</b>	<b>\$ 12,018,972</b>

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

**Note 3 - Detailed Notes on All Funds (Continued)**

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

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

Prepaid Expenditures has been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Employee benefit accrued liability has been established pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

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

Subsequent year's expenditures represent that at June 30, 2021, the Board has utilized the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the Capital Projects Fund represents the deficit balances in the capital projects. Unassigned fund balance in the Special Aid Fund represents amounts due from Federal aid.

**Note 4 - Summary Disclosure of Significant Contingencies**

**A. Litigation**

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

**B. Contingencies**

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

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

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**C. Risk Management**

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

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

The School District has also established a reserve for property loss and liability pursuant to General Municipal Law. At June 30, 2021, the balance in the reserve was \$678,361, which is to be used for the uninsured portion of any losses.

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Westchester-Putnam Schools Cooperative Self-Insurance Plan for Workers' Compensation. This plan operates under an agreement, as amended, dated February 6, 1987. The purposes of the plan are to provide for the efficient and economical evaluation, processing, administration, defense and payment of claims against Plan members for workers' compensation payments. The Board of Trustees of the Plan consists of five Trustees selected by the Plan members. Each Trustee shall have one vote and no action may be taken except by a majority vote of the total membership of Trustees. Billings to each participant are based upon the costs incurred for workers' compensation. The School District has transferred all related risk to the Plan.

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Northern Westchester - Putnam Schools Cooperative Medical Expense Benefit Plan. The plan operates under an agreement dated February 17, 1989. The purposes of the plan are to provide for the efficient and economical evaluation, processing, administration and payment of claims against plan members for medical expenses through self-insurance and to provide for centralized administration, funding and disbursements for such services. The governance of the plan rests in the Board of Trustees which shall consist of five Trustees selected by the plan members. A majority vote of the total number of Trustees shall be required to taken any actions. The billings are based upon coverages provided to each participants' employees. The School District has transferred all related risk to the Plan.

## Putnam Valley Central School District, New York

Notes to Financial Statements (Concluded)  
Year Ended June 30, 2021

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### **Note 5 - Recently Issued GASB Pronouncements**

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

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

### **Note 6 - Subsequent Events**

The School District on July 15, 2021, issued and \$13,310,000 bond anticipation note for various purposes. The notes matures on July 15, 2022 and bears interest rate of 2.00% per annum.

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**Putnam Valley Central School District, New York**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:				
Service cost	\$ 2,548,303	\$ 2,216,739	\$ 800,049	\$ 685,077
Interest	1,798,914	2,047,622	2,402,073	2,508,163
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	-	-
Changes of assumptions or other inputs	4,664,259 (5)	5,273,696 (4)	8,546,699 (3)	-
Benefit payments	<u>(2,187,403)</u>	<u>(2,034,349)</u>	<u>(2,051,892)</u>	<u>(2,031,890)</u>
Net Change in Total OPEB Liability	6,824,073	7,503,708	9,696,929	1,161,350
Total OPEB Liability – Beginning of Year	<u>87,166,123</u>	<u>79,662,415</u>	<u>69,965,486</u>	<u>68,804,136</u>
Total OPEB Liability – End of Year	<u>\$ 93,990,196</u>	<u>\$ 87,166,123</u>	<u>\$ 79,662,415</u>	<u>\$ 69,965,486</u>
School District's covered-employee payroll	<u>\$ 22,900,153</u>	<u>\$ 22,900,153</u>	<u>\$ 21,493,900</u>	<u>\$ 21,493,900</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>410%</u>	<u>381%</u>	<u>371%</u>	<u>326%</u>

Notes to Schedule:

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

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

(3) The discount rate used to calculate the total OPEB liability was decreased from 3.7% to 3.1% effective with the June 30, 2019 measurement date.

(4) The discount rate used to calculate the total OPEB liability was decreased from 3.1% to 2.44% effective with the June 30, 2020 measurement date.

(5) The discount rate used to calculate the total OPEB liability was decreased from 2.44% to 2.09% effective with the June 30, 2021 measurement date.

See independent auditors' report.

**Putnam Valley Central School District, New York**

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

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

	2021 (6)	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.117348%</u>	<u>(0.119380%)</u>	<u>(0.121130%)</u>	<u>(0.117988%)</u>	<u>0.113078%</u>	<u>(0.110161%)</u>	<u>(0.110175%)</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 3,242,650</u>	<u>\$ (3,101,500)</u>	<u>\$ (2,190,356)</u>	<u>\$ (896,824)</u>	<u>\$ 1,211,113</u>	<u>\$ (11,442,268)</u>	<u>\$ (12,272,786)</u>
School District's covered payroll	<u>\$ 19,954,628</u>	<u>\$ 20,220,672</u>	<u>\$ 20,036,811</u>	<u>\$ 19,002,024</u>	<u>\$ 17,826,436</u>	<u>\$ 17,017,000</u>	<u>\$ 16,679,000</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>0.16</u>	<u>(15.34)%</u>	<u>(10.93)%</u>	<u>(4.72)%</u>	<u>6.79%</u>	<u>(67.24)%</u>	<u>(73.58)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.76%</u>	<u>102.20%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,889,932	\$ 1,767,980	\$ 2,147,435	\$ 1,963,607	\$ 2,227,037	\$ 2,363,785	\$ 2,983,123
Contributions in relation to the contractually required contribution	<u>(1,889,932)</u>	<u>(1,767,980)</u>	<u>(2,147,435)</u>	<u>(1,963,607)</u>	<u>(2,227,037)</u>	<u>(2,363,785)</u>	<u>(2,983,123)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 19,831,396</u>	<u>\$ 19,954,628</u>	<u>\$ 20,220,672</u>	<u>\$ 20,036,811</u>	<u>\$ 19,002,024</u>	<u>\$ 17,826,426</u>	<u>\$ 17,017,000</u>
Contributions as a percentage of covered payroll	<u>9.53%</u>	<u>8.86%</u>	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

Note - The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

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

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

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

(4) The discount rate used to calculate the total pension liability was decreased from 7.25% to 7.10% effective with the June 30, 2020 measurement date.

(5) The discount rate used to calculate the total pension liability was increased from 7.10% to 8.86% effective with the June 30, 2021 measurement date.

(6) Increase in the School District's proportionate share of the net position liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

See independent auditors' report.

**Putnam Valley Central School District, New York**

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

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

	2021 (6)	2020(4)(5)	2019	2018	2017	2016 (3)	2015
School District's proportion of the net pension liability	<u>0.0145145%</u>	<u>0.0151191%</u>	<u>0.0155373%</u>	<u>0.017981%</u>	<u>0.018319%</u>	<u>0.018833%</u>	<u>0.018730%</u>
School District's proportionate share of the net pension liability	<u>\$ 14,453</u>	<u>\$ 4,003,623</u>	<u>\$ 1,100,865</u>	<u>\$ 580,338</u>	<u>\$ 1,721,284</u>	<u>\$ 3,022,746</u>	<u>\$ 632,733</u>
School District's covered payroll	<u>\$ 4,633,925</u>	<u>\$ 4,596,952</u>	<u>\$ 4,383,401</u>	<u>\$ 5,054,799</u>	<u>\$ 4,851,419</u>	<u>\$ 4,753,923</u>	<u>\$ 4,824,000</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.31%</u>	<u>87.09%</u>	<u>25.11%</u>	<u>11.48%</u>	<u>35.48%</u>	<u>63.58%</u>	<u>13.12%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 657,701</u>	<u>\$ 655,578</u>	<u>\$ 641,151</u>	<u>\$ 757,522</u>	<u>\$ 749,797</u>	<u>\$ 829,309</u>	<u>\$ 855,220</u>
Contributions in relation to the contractually required contribution	<u>(657,701)</u>	<u>(655,578)</u>	<u>(641,151)</u>	<u>(757,522)</u>	<u>(749,797)</u>	<u>(829,309)</u>	<u>(855,220)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 4,699,302</u>	<u>\$ 4,526,777</u>	<u>\$ 4,661,842</u>	<u>\$ 4,346,645</u>	<u>\$ 4,976,862</u>	<u>\$ 4,988,810</u>	<u>\$ 4,824,000</u>
Contributions as a percentage of covered payroll	<u>14.00%</u>	<u>14.48%</u>	<u>13.75%</u>	<u>17.43%</u>	<u>15.07%</u>	<u>16.62%</u>	<u>17.73%</u>

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

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

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

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

(5) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses

(6) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.

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**Putnam Valley Central School District, New York**

General Fund  
Comparative Balance Sheet  
June 30,

	2021	2020
<b>ASSETS</b>		
Cash and equivalents	\$ 787,787	\$ 1,730,742
Investments	16,064,047	13,558,419
Receivables		
Accounts	130,603	168,716
State and Federal aid	441,143	254,458
Due from other governments	1,433,344	1,122,837
Due from other funds	845,005	786,004
	<u>2,850,095</u>	<u>2,332,015</u>
Prepaid expenditures	<u>275,869</u>	<u>262,658</u>
Total Assets	<u>\$ 19,977,798</u>	<u>\$ 17,883,834</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 1,526,964	\$ 1,651,868
Accrued liabilities	220,963	150,706
Due to other funds	3,531,454	3,533,755
Due to retirement systems	2,213,136	2,059,383
Total Liabilities	<u>7,492,517</u>	<u>7,395,712</u>
Fund balance		
Nonspendable	275,869	262,658
Restricted	8,781,247	5,684,171
Assigned	1,299,771	2,804,427
Unassigned	2,128,394	1,736,866
Total Fund Balance	<u>12,485,281</u>	<u>10,488,122</u>
Total Liabilities and Fund Balance	<u>\$ 19,977,798</u>	<u>\$ 17,883,834</u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

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

	2021				
	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
<b>REVENUES</b>					
Real property taxes	\$ 33,710,949	\$ 34,474,879	\$ 34,381,550	\$	\$ (93,329)
Other tax items	4,345,000	3,581,070	3,578,143		(2,927)
Non-property taxes	-	-	88,699		88,699
Charges for services	265,000	265,000	272,669		7,669
Use of money and property	77,600	77,600	16,494		(61,106)
State aid	11,314,314	11,163,106	12,420,674		1,257,568
Federal aid	-	151,208	151,208		
Miscellaneous	215,000	215,000	607,982		392,982
<b>Total Revenues</b>	<u>49,927,863</u>	<u>49,927,863</u>	<u>51,517,419</u>		<u>1,589,556</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
<b>General support</b>					
Board of education	68,958	83,134	69,400	-	13,734
Central administration	414,532	414,516	384,172	-	30,344
Finance	704,045	727,519	677,201	10,849	39,469
Staff	358,744	355,651	235,655	32,390	87,606
Central services	3,344,998	3,427,619	3,034,915	167,547	225,157
Special items	663,128	689,854	605,637	13,767	70,450
<b>Total General Support</b>	<u>5,554,405</u>	<u>5,698,293</u>	<u>5,006,980</u>	<u>224,553</u>	<u>466,760</u>
<b>Instruction</b>					
Instruction, administration and improvement	2,092,297	2,064,633	2,071,841	9,107	(16,315)
Teaching - Regular school Programs for students with disabilities	14,179,015	13,815,145	13,300,286	4,549	510,310
Instructional media	7,856,634	7,743,120	7,139,619	28,231	575,270
Pupil services	1,636,286	1,843,126	1,938,077	156,098	(251,049)
	3,995,835	3,847,669	3,137,277	54,233	656,159
<b>Total Instruction</b>	<u>29,760,067</u>	<u>29,313,693</u>	<u>27,587,100</u>	<u>252,218</u>	<u>1,474,375</u>
Pupil transportation	3,089,551	3,089,550	2,823,462	15,000	251,088
Employee benefits	11,846,703	12,018,009	11,371,822	8,000	638,187
<b>Debt service</b>					
Principal	2,426,793	2,428,374	1,968,208	-	460,166
Interest	491,226	534,659	534,659	-	-
<b>Total Expenditures</b>	<u>53,168,745</u>	<u>53,082,578</u>	<u>49,292,231</u>	<u>499,771</u>	<u>3,290,576</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(3,240,882)</u>	<u>(3,154,715)</u>	<u>2,225,188</u>	<u>(499,771)</u>	<u>4,880,132</u>
<b>OTHER FINANCING (USES)</b>					
Insurance recoveries	-	-	665	-	665
Transfers in	700,000	700,000	-	-	(700,000)
Transfers out	(159,931)	(246,098)	(228,694)	-	17,404
<b>Total Other Financing Sources</b>	<u>540,069</u>	<u>453,902</u>	<u>(228,029)</u>	<u>-</u>	<u>(681,931)</u>
<b>Net Change in Fund Balance</b>	<u>(2,700,813)</u>	<u>(2,700,813)</u>	<u>1,997,159</u>	<u>\$ (499,771)</u>	<u>\$ 4,198,201</u>
<b>FUND BALANCE</b>					
Beginning of Year	<u>2,700,813</u>	<u>2,700,813</u>	<u>10,488,122</u>		
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,485,281</u>		

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
\$ 33,180,010	\$ 33,732,794	\$ 33,674,768	\$	\$ (58,026)
4,345,000	3,792,216	3,794,009		1,793
-	-	78,011		78,011
265,000	265,000	142,301		(122,699)
175,000	175,000	257,224		82,224
11,000,000	11,000,000	11,371,162		371,162
<u>215,000</u>	<u>215,000</u>	<u>376,575</u>		<u>161,575</u>
<u>49,180,010</u>	<u>49,180,010</u>	<u>49,694,050</u>		<u>514,040</u>
66,870	76,482	56,840	985	18,657
382,869	382,373	380,418	-	1,955
693,378	701,028	680,498	10,557	9,973
324,464	314,191	253,828	54,639	5,724
2,796,004	3,414,734	2,562,660	704,257	147,817
606,046	693,722	672,629	20,135	958
<u>4,869,631</u>	<u>5,582,530</u>	<u>4,606,873</u>	<u>790,573</u>	<u>185,084</u>
2,301,537	2,280,724	2,087,960	15,217	177,547
14,662,100	13,626,375	13,277,036	146,002	203,337
7,840,613	7,399,382	7,068,736	31,179	299,467
1,614,053	2,544,964	2,209,011	268,760	67,193
3,483,087	3,567,041	3,099,066	168,802	299,173
<u>29,901,390</u>	<u>29,418,486</u>	<u>27,741,809</u>	<u>629,960</u>	<u>1,046,717</u>
2,945,526	2,937,789	2,906,159	280	31,350
11,849,373	11,626,721	10,975,283	-	651,438
2,510,053	1,963,294	1,960,115	-	3,179
4,862	551,621	551,620	-	1
<u>52,080,835</u>	<u>52,080,441</u>	<u>48,741,859</u>	<u>1,420,813</u>	<u>1,917,769</u>
<u>(2,900,825)</u>	<u>(2,900,431)</u>	<u>952,191</u>	<u>(1,420,813)</u>	<u>2,431,809</u>
-	-	7,203	-	7,203
1,000,000	1,000,000	500,000	-	(500,000)
(113,000)	(113,394)	(83,394)	-	30,000
<u>887,000</u>	<u>886,606</u>	<u>423,809</u>	<u>-</u>	<u>(462,797)</u>
(2,013,825)	(2,013,825)	1,376,000	\$ (1,420,813)	\$ 1,969,012
<u>2,013,825</u>	<u>2,013,825</u>	<u>9,112,122</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,488,122</u>		

**Putnam Valley Central School District, New York**

General Fund  
 Schedule of Revenues and Other Financing Sources Compared to Budget  
 Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REAL PROPERTY TAXES</b>	\$ 33,710,949	\$ 34,474,879	\$ 34,381,550	\$ (93,329)
<b>OTHER TAX ITEMS</b>				
School tax relief reimbursement	4,300,000	3,536,070	3,536,070	-
Interest and penalties on real property taxes	45,000	45,000	42,073	(2,927)
	<u>4,345,000</u>	<u>3,581,070</u>	<u>3,578,143</u>	<u>(2,927)</u>
<b>NON-PROPERTY TAXES</b>				
Non-property tax distribution from County	-	-	88,699	88,699
<b>CHARGES FOR SERVICES</b>				
Day school tuition	75,000	75,000	251,435	176,435
Other student fees and charges	190,000	190,000	21,234	(168,766)
	<u>265,000</u>	<u>265,000</u>	<u>272,669</u>	<u>7,669</u>
<b>USE OF MONEY AND PROPERTY</b>				
Earnings on investments	77,600	77,600	16,494	(61,106)
Commissions	-	-	-	-
	<u>77,600</u>	<u>77,600</u>	<u>16,494</u>	<u>(61,106)</u>

**STATE AID**

Basic formula	8,075,105	7,774,142	8,669,871	895,729
BOCES aid	1,208,804	1,339,152	1,703,457	364,305
Textbook aid	100,000	100,000	98,035	(1,965)
Lottery aid	1,875,000	1,894,407	1,894,046	(361)
Computer software aid	45,600	45,600	45,159	(441)
Library materials aid	9,805	9,805	10,106	301
	<u>11,314,314</u>	<u>11,163,106</u>	<u>12,420,674</u>	<u>1,257,568</u>

**FEDERAL AID**

Elementary and Secondary School Emergency Relief Fund (CARES)	-	129,295	129,295	-
Governor's Emergency Education Relief Fund (CARES)	-	21,913	21,913	-
	-	-	-	-
	<u>-</u>	<u>151,208</u>	<u>151,208</u>	<u>-</u>

**MISCELLANEOUS**

Refund of prior year's expenditures	90,000	90,000	469,312	379,312
Refund of prior year's BOCES expenditures	75,000	75,000	99,735	24,735
Unclassified	50,000	50,000	38,935	(11,065)
	<u>215,000</u>	<u>215,000</u>	<u>607,982</u>	<u>392,982</u>

**TOTAL REVENUES**

<u>49,927,863</u>	<u>49,927,863</u>	<u>51,517,419</u>	<u>1,589,556</u>
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**OTHER FINANCING SOURCES**

Insurance recoveries	-	-	665	665
Transfers in				
Debt Service Fund	700,000	700,000	-	(700,000)

**TOTAL OTHER FINANCING SOURCES**

<u>700,000</u>	<u>700,000</u>	<u>665</u>	<u>(699,335)</u>
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**TOTAL REVENUES AND OTHER FINANCING SOURCES**

<u>\$ 50,627,863</u>	<u>\$ 50,627,863</u>	<u>\$ 51,518,084</u>	<u>\$ 890,221</u>
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See independent auditors' report.

**Putnam Valley Central School District, New York**

General Fund  
 Schedule of Expenditures and Other Financing Uses Compared to Budget  
 Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
<b>GENERAL SUPPORT</b>					
<b>BOARD OF EDUCATION</b>					
Board of education	\$ 28,259	\$ 42,435	\$ 36,832	\$ -	\$ 5,603
District clerk	15,683	15,683	15,659	-	24
District meeting	25,016	25,016	16,909	-	8,107
Total Board of Education	68,958	83,134	69,400	-	13,734
<b>CENTRAL ADMINISTRATION</b>					
Chief school administrator	414,532	414,516	384,172	-	30,344
<b>FINANCE</b>					
Business administration	300,322	325,657	296,748	2,310	26,599
Auditing	75,000	72,865	69,367	-	3,498
Treasurer	181,950	182,224	178,408	3,461	355
Tax collector	122,316	122,316	116,755	-	5,561
Fiscal agent fees	24,457	24,457	15,923	5,078	3,456
Total Finance	704,045	727,519	677,201	10,849	39,469
<b>STAFF</b>					
Legal	139,939	138,575	64,441	32,390	41,744
Personnel	186,377	184,648	139,164	-	45,484
Public information and services	32,428	32,428	32,050	-	378
Total Staff	358,744	355,651	235,655	32,390	87,606

**CENTRAL SERVICES**

Operation and maintenance of plant	<u>3,344,998</u>	<u>3,427,619</u>	<u>3,034,915</u>	<u>167,547</u>	<u>225,157</u>
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**SPECIAL ITEMS**

Unallocated insurance	206,333	211,721	211,671	-	50
School association dues	16,408	19,174	17,874	-	1,300
Judgments and claims	118,539	113,151	30,284	13,767	69,100
Administrative charges - BOCES	<u>321,848</u>	<u>345,808</u>	<u>345,808</u>	<u>-</u>	<u>-</u>

Total Special Items	<u>663,128</u>	<u>689,854</u>	<u>605,637</u>	<u>13,767</u>	<u>70,450</u>
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Total General Support	<u>5,554,405</u>	<u>5,698,293</u>	<u>5,006,980</u>	<u>224,553</u>	<u>466,760</u>
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**INSTRUCTION****INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	178,094	129,672	114,736	1,170	13,766
Supervision - Regular school	<u>1,914,203</u>	<u>1,934,961</u>	<u>1,957,105</u>	<u>7,937</u>	<u>(30,081)</u>

Total Instruction, Administration and Improvement	<u>2,092,297</u>	<u>2,064,633</u>	<u>2,071,841</u>	<u>9,107</u>	<u>(16,315)</u>
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<b>TEACHING - REGULAR SCHOOL</b>	<u>14,179,015</u>	<u>13,815,145</u>	<u>13,300,286</u>	<u>4,549</u>	<u>510,310</u>
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<b>PROGRAMS FOR STUDENTS WITH DISABILITIES</b>	<u>7,856,634</u>	<u>7,743,120</u>	<u>7,139,619</u>	<u>28,231</u>	<u>575,270</u>
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**INSTRUCTIONAL MEDIA**

School library and audiovisual	260,251	303,011	298,859	1,232	2,920
Computer assisted instruction	<u>1,376,035</u>	<u>1,540,115</u>	<u>1,639,218</u>	<u>154,866</u>	<u>(253,969)</u>

Total Instructional Media	<u>1,636,286</u>	<u>1,843,126</u>	<u>1,938,077</u>	<u>156,098</u>	<u>(251,049)</u>
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(Continued)

**Putnam Valley Central School District, New York**

General Fund

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

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
<b>PUPIL SERVICES</b>					
Guidance - Regular school	\$ 750,125	\$ 692,475	\$ 631,158	\$ -	\$ 61,317
Health services - Regular school	338,063	337,875	275,486	-	62,389
Psychological services - Regular school	541,710	439,842	437,853	-	1,989
Pupil personnel services - Special schools	976,562	982,464	943,684	-	38,780
Co-curricular activities - Regular school	339,530	340,199	146,027	925	193,247
Interscholastic activities - Regular school	1,049,845	1,054,814	703,069	53,308	298,437
Total Pupil Services	3,995,835	3,847,669	3,137,277	54,233	656,159
Total Instruction	29,760,067	29,313,693	27,587,100	252,218	1,474,375
<b>PUPIL TRANSPORTATION</b>					
District transportation services	1,189,551	1,153,550	937,710	15,000	200,840
Contract transportation	1,900,000	1,936,000	1,885,752	-	50,248
Total Pupil Transportation	3,089,551	3,089,550	2,823,462	15,000	251,088
<b>EMPLOYEE BENEFITS</b>					
State retirement	1,040,056	1,040,056	684,047	-	356,009
Teachers' retirement	2,017,816	1,940,123	1,883,366	-	56,757
Social security	2,140,773	2,040,773	1,876,146	-	164,627
Workers' compensation benefits	172,000	150,714	150,714	-	-
Life insurance	12,518	12,518	8,461	-	4,057
Unemployment benefits	25,000	82,806	54,628	-	28,178
Hospital, medical and dental insurance	5,924,640	5,924,640	5,907,531	-	17,109
Union welfare benefits	513,900	513,900	494,450	8,000	11,450
Incentive and sick time payout	-	312,479	312,479	-	-
Total Employee Benefits	11,846,703	12,018,009	11,371,822	8,000	638,187



**DEBT SERVICE**

## Principle

Serial bonds	1,555,000	1,555,000	1,555,000	-	-
Energy performance contract	394,793	394,793	394,793	-	-
Installment purchase debt	477,000	478,581	18,415	-	460,166

	<u>2,426,793</u>	<u>2,428,374</u>	<u>1,968,208</u>	<u>-</u>	<u>460,166</u>
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## Interest

Serial bonds	278,450	278,450	278,450	-	-
Bond anticipation notes	5,055	45,082	45,082	-	-
Energy performance contract	207,721	207,721	207,721	-	-
Installment purchase debt	-	3,406	3,406	-	-

	<u>491,226</u>	<u>534,659</u>	<u>534,659</u>	<u>-</u>	<u>-</u>
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Total Debt Service	<u>2,918,019</u>	<u>2,963,033</u>	<u>2,502,867</u>	<u>-</u>	<u>460,166</u>
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<b>TOTAL EXPENDITURES</b>	<u>53,168,745</u>	<u>53,082,578</u>	<u>49,292,231</u>	<u>499,771</u>	<u>3,290,576</u>
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**OTHER FINANCING USES**

## Transfers out

Special Aid Fund	95,000	191,194	191,194	-	-
Capital Projects Fund	64,931	54,904	37,500	-	17,404

<b>TOTAL OTHER FINANCING USES</b>	<u>159,931</u>	<u>246,098</u>	<u>228,694</u>	<u>-</u>	<u>17,404</u>
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<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 53,328,676</u>	<u>\$ 53,328,676</u>	<u>\$ 49,520,925</u>	<u>\$ 499,771</u>	<u>\$ 3,307,980</u>
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See independent auditors' report.

**Putnam Valley Central School District, New York**

Special Aid Fund  
Comparative Balance Sheet  
June 30,

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	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 134,177	\$ 75,431
State and Federal aid receivable	<u>685,911</u>	<u>710,573</u>
Total Assets	<u><u>\$ 820,088</u></u>	<u><u>\$ 786,004</u></u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>		
Due to other funds	\$ 825,929	\$ 786,004
Fund balance (deficit)		
Unassigned	<u>(5,841)</u>	<u>-</u>
Total Liabilities and Fund Balance (Deficit)	<u><u>\$ 820,088</u></u>	<u><u>\$ 786,004</u></u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

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

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
State aid	\$ 140,591	\$ 333,575
Federal aid	<u>591,263</u>	<u>490,737</u>
Total Revenues	731,854	824,312
<b>EXPENDITURES</b>		
Current		
Instruction	<u>928,889</u>	<u>907,706</u>
Deficiency of Revenues Over Expenditures	(197,035)	(83,394)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	<u>191,194</u>	<u>83,394</u>
Net Change in Fund Balance	(5,841)	-
<b>FUND BALANCE (DEFICIT)</b>		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ (5,841)</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

Debt Service Fund  
Comparative Balance Sheet  
June 30,

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	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Due from other funds	<u>\$ 3,627,729</u>	<u>\$ 3,535,883</u>
<b>FUND BALANCE</b>		
Restricted	<u>\$ 3,627,729</u>	<u>\$ 3,535,883</u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

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

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	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Use of money and property	\$ 106,846	\$ 31,215
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	106,846	31,215
<b>OTHER FINANCING USES</b>		
Transfers out	<u>(15,000)</u>	<u>(500,000)</u>
Net Change in Fund Balance	91,846	(468,785)
<b>FUND BALANCE</b>		
Beginning of Year	<u>3,535,883</u>	<u>4,004,668</u>
End of Year	<u><u>\$ 3,627,729</u></u>	<u><u>\$ 3,535,883</u></u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

Capital Projects Fund  
Comparative Balance Sheet  
June 30,

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	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 50,273	\$ 50,268
Investments	2,322,264	2,773,464
Due from other funds	<u>539,957</u>	<u>539,957</u>
Total Assets	<u>\$ 2,912,494</u>	<u>\$ 3,363,689</u>
<b>LIABILITIES AND FUND DEFICIT</b>		
Liabilities		
Bond anticipation notes payable	\$ 14,470,343	\$ 5,322,843
Due to other funds	<u>665,101</u>	<u>573,255</u>
Total Liabilities	15,135,444	5,896,098
Fund deficit		
Unassigned	<u>(12,222,950)</u>	<u>(2,532,409)</u>
Total Liabilities and Fund Deficit	<u>\$ 2,912,494</u>	<u>\$ 3,363,689</u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

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

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
State aid	\$ -	\$ 398,723
<b>EXPENDITURES</b>		
Capital outlay	<u>9,743,041</u>	<u>4,095,867</u>
Deficiency of Revenues Over Expenditures	<u>(9,743,041)</u>	<u>(3,697,144)</u>
<b>OTHER FINANCING SOURCES</b>		
Installment purchase debt issued	-	100,407
Transfers in	<u>52,500</u>	<u>-</u>
Total Other Financing Sources	<u>52,500</u>	<u>100,407</u>
Net Change in Fund Balance	(9,690,541)	(3,596,737)
<b>FUND BALANCE (DEFICIT)</b>		
Beginning of Year	<u>(2,532,409)</u>	<u>1,064,328</u>
End of Year	<u><u>\$ (12,222,950)</u></u>	<u><u>\$ (2,532,409)</u></u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

Capital Projects Fund  
 Project-Length Schedule  
 Inception of Project Through June 30, 2021

PROJECT	Project Budget	Expenditures and Transfers To Date		
		Prior Years	Current Year	Totals
General Reconstruction				
General Reconstruction	\$ 1,617,676	\$ 1,585,367	\$ -	\$ 1,585,367
Middle School Roof	257,000	257,000	-	257,000
Middle School Elevator	140,674	140,674	-	140,674
Window Replacements	17,850	-	-	-
HVAC	111,325	111,325	-	111,325
Boiler	39,900	39,900	-	39,900
Paving	65,575	65,575	-	65,575
	<u>2,250,000</u>	<u>2,199,841</u>	<u>-</u>	<u>2,199,841</u>
Smart Schools Bond Act	915,998	398,723	-	398,723
Energy Performance Project	6,921,212	6,921,212	-	6,921,212
School Buses	500,000	322,554	-	322,554
Backhoe Vehicle	100,407	100,407	-	100,407
Capital Facilities				
Middle School and District-Wide Improvements	14,810,000	2,870,014	9,743,041	12,613,055
Totals	<u>\$ 25,497,617</u>	<u>\$ 12,812,751</u>	<u>\$ 9,743,041</u>	<u>\$ 22,555,792</u>

See independent auditors' report.



Unexpended Balance	Methods of Financing				Fund Balance (Deficit) at June 30, 2021	Bond Anticipation Notes Outstanding at June 30, 2021
	Interfund Transfers	Proceeds of Obligations	State and Federal Aid	Total		
\$ 32,309	\$ -	\$ 1,635,526	\$ -	\$ 1,635,526	\$ 50,159	\$ -
-	-	257,000	-	257,000	-	-
-	-	140,674	-	140,674	-	-
17,850	-	-	-	-	-	-
-	-	111,325	-	111,325	-	-
-	-	39,900	-	39,900	-	-
-	-	65,575	-	65,575	-	-
<u>50,159</u>	<u>-</u>	<u>2,250,000</u>	<u>-</u>	<u>2,250,000</u>	<u>50,159</u>	<u>-</u>
517,275	-	-	398,723	398,723	-	-
-	-	6,921,212	-	6,921,212	-	-
177,446	-	37,500	-	37,500	(285,054)	285,343
-	-	100,407	-	100,407	-	-
<u>2,196,945</u>	<u>610,000</u>	<u>15,000</u>	<u>-</u>	<u>625,000</u>	<u>(11,988,055)</u>	<u>14,185,000</u>
<u>\$ 2,941,825</u>	<u>\$ 610,000</u>	<u>\$ 9,324,119</u>	<u>\$ 398,723</u>	<u>\$ 10,332,842</u>	<u>\$ (12,222,950)</u>	<u>\$ 14,470,343</u>

**Putnam Valley Central School District, New York**

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

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2021	2020
<b>ASSETS</b>				
Cash and equivalents	\$ -	\$ 167,147	\$ 167,147	\$ 459,791
Receivables				
Accounts	-	-	-	470
State and Federal aid	195,241	-	195,241	35,867
Due from other funds	-	28,870	28,870	31,170
	<u>195,241</u>	<u>28,870</u>	<u>224,111</u>	<u>67,507</u>
Inventories	<u>11,280</u>	<u>-</u>	<u>11,280</u>	<u>15,423</u>
Total Assets	<u>\$ 206,521</u>	<u>\$ 196,017</u>	<u>\$ 402,538</u>	<u>\$ 542,721</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 89,860	\$ -	\$ 89,860	\$ 15,277
Unearned revenue	25,443	-	25,443	-
Due to other funds	15,277	3,800	19,077	-
Due to other governments	95	-	95	68
Total Liabilities	<u>130,675</u>	<u>3,800</u>	<u>134,475</u>	<u>15,345</u>
Fund balances				
Nonspendable	11,280	-	11,280	15,423
Restricted	-	192,217	192,217	201,871
Assigned	<u>64,566</u>	<u>-</u>	<u>64,566</u>	<u>310,082</u>
Total Fund Balances	<u>75,846</u>	<u>192,217</u>	<u>268,063</u>	<u>527,376</u>
Total Liabilities and Fund Balances	<u>\$ 206,521</u>	<u>\$ 196,017</u>	<u>\$ 402,538</u>	<u>\$ 542,721</u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Non-Major Governmental Funds  
Year Ended June 30, 2021  
(With Comparative Totals for 2020)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2021	2020
<b>REVENUES</b>				
Use of money and property	\$ 22	\$ 9	\$ 31	\$ 405
State aid	21,966	-	21,966	8,562
Federal aid	611,535	-	611,535	214,255
Food sales	(556)	-	(556)	332,810
Miscellaneous	534	121,674	122,208	141,303
<b>Total Revenues</b>	<b>633,501</b>	<b>121,683</b>	<b>755,184</b>	<b>697,335</b>
<b>EXPENDITURES</b>				
Current				
Cost of food sales	883,160	-	883,160	477,552
Other	-	131,337	131,337	136,268
<b>Total Expenditures</b>	<b>883,160</b>	<b>131,337</b>	<b>1,014,497</b>	<b>613,820</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(249,659)</b>	<b>(9,654)</b>	<b>(259,313)</b>	<b>83,515</b>
<b>FUND BALANCES</b>				
Beginning of Year, as reported	325,505	201,871	527,376	352,408
Cumulative change in accounting principle	-	-	-	91,453
Beginning of Year, as restated	325,505	201,871	527,376	443,861
End of Year	\$ 75,846	\$ 192,217	\$ 268,063	\$ 527,376

See independent auditors' report.

**Putnam Valley Central School District, New York**

School Lunch Fund  
Comparative Balance Sheet  
June 30,

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ -</u>	<u>\$ 289,090</u>
Receivables		
Accounts	-	470
State and Federal aid	<u>195,241</u>	<u>35,867</u>
	<u>195,241</u>	<u>36,337</u>
Inventories	<u>11,280</u>	<u>15,423</u>
Total Assets	<u><u>\$ 206,521</u></u>	<u><u>\$ 340,850</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 89,860	\$ 15,277
Unearned revenue	25,443	-
Due to other funds	15,277	-
Due to other governments	<u>95</u>	<u>68</u>
Total Liabilities	<u>130,675</u>	<u>15,345</u>
Fund balance		
Nonspendable	11,280	15,423
Assigned	<u>64,566</u>	<u>310,082</u>
Total Fund Balance	<u>75,846</u>	<u>325,505</u>
Total Liabilities and Fund Balance	<u><u>\$ 206,521</u></u>	<u><u>\$ 340,850</u></u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

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

---

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Use of money and property	\$ 22	\$ 328
State aid	21,966	8,562
Federal aid	611,535	214,255
Food sales	(556)	332,810
Miscellaneous	<u>534</u>	<u>1,838</u>
 Total Revenues	 633,501	 557,793
<b>EXPENDITURES</b>		
Current		
Cost of food sales	<u>883,160</u>	<u>477,552</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (249,659)	 80,241
<b>FUND BALANCE</b>		
Beginning of Year	<u>325,505</u>	<u>245,264</u>
 End of Year	 <u>\$ 75,846</u>	 <u>\$ 325,505</u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

Special Purpose Fund  
Comparative Balance Sheet  
June 30,

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	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 167,147	\$ 170,701
Due from other funds	<u>28,870</u>	<u>31,170</u>
Total Assets	<u>\$ 196,017</u>	<u>\$ 201,871</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Due to other funds	\$ 3,800	\$ -
Fund balance		
Restricted	<u>192,217</u>	<u>201,871</u>
Total Liabilities and Fund Balance	<u>\$ 196,017</u>	<u>\$ 201,871</u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

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

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	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Use of money and property	\$ 9	\$ 77
Miscellaneous	<u>121,674</u>	<u>139,465</u>
Total Revenues	121,683	139,542
<b>EXPENDITURES</b>		
Current		
Other	<u>131,337</u>	<u>136,268</u>
Total Expenditures	<u>131,337</u>	<u>136,268</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,654)</u>	<u>3,274</u>
<b>FUND BALANCE</b>		
Beginning of Year, as reported	201,871	107,144
Cumulative change in accounting principle	<u>-</u>	<u>91,453</u>
Beginning of Year, as restated	<u>201,871</u>	<u>198,597</u>
End of Year	<u>\$ 192,217</u>	<u>\$ 201,871</u>

See independent auditors' report.

**Putnam Valley Central School District, New York**

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

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Adopted Budget		\$ 51,907,863
Encumbrances		<u>1,420,813</u>
Original Budget		53,328,676
Budget Amendments		<u>-</u>
Final Budget		<u><u>\$ 53,328,676</u></u>

General Fund  
Section 1318 of Real Property Tax Law Limit Calculation

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2021-22 Expenditure Budget		<u>\$ 53,196,449</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	1,299,771	
Unassigned fund balance	<u>2,128,394</u>	
Total Unrestricted Fund Balance	<u>3,428,165</u>	
Less		
Appropriated for subsequent year's budget	800,000	
Encumbrances	<u>499,771</u>	
Total Adjustments	<u>1,299,771</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 2,128,394</u></u>
Actual Percentage		<u><u>4.00%</u></u>

See independent auditors' report.



**Putnam Valley Central School District, New York**

Schedule of Net Investment in Capital Assets  
Year Ended June 30, 2021

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Capital Assets, net		\$ 47,483,499
Less		
Bonds Payable	(4,579,911)	
Energy Performance Contract Payable	(5,770,995)	
Unamortized Portion of Premium on Bonds	(912,375)	
Bond Anticipation Notes Payable	(14,470,343)	
Installment Purchase Debt	<u>(60,171)</u>	(25,793,795)
Plus		
Unexpended Bond Proceeds	2,247,393	
Unamortized Portion of Loss on Refunding Bonds	<u>162,385</u>	<u>2,409,778</u>
Net Investment in Capital Assets		<u>\$ 24,099,482</u>

See independent auditors' report.

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**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards**

**Independent Auditors' Report**

**The Board of Education of the  
Putnam Valley Central School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Putnam Valley Central School District, New York ("School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 7, 2021.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

September 7, 2021



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

**Independent Auditors' Report**

**The Board of Education of the  
Putnam Valley Central School District, New York**

**Report on Compliance for Each Major Federal Program**

We have audited the Putnam Valley Central School District, New York's ("School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

## **Opinion on Each Major Federal Program**

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## **Report on Internal Control Over Compliance**

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

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

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

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

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

September 7, 2021

**Putnam Valley Central School District, New York**

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

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- Recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
National School Lunch Program - Commodities	10.555	N/A	\$ -	\$ 23,950
Summer Food Service Program for Children	10.559	N/A	-	587,585
Total U.S. Department of Agriculture			-	611,535
<u>U.S. Department of Education</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	84.027	0032-21-0741	-	390,849
Special Education - Preschool Grants	84.173	0033-21-0741	-	17,565
Subtotal Special Education Cluster			-	408,414
Title I Grants to Local Educational Agencies	84.010	0021-21-2460	-	136,424
Supporting Effective Instruction State Grants	84.367	0147-21-2460	-	36,083
Student Support and Academic Enrichment Program	84.424A	0204-21-2460	-	10,342
Governor's Emergency Education				
Relief (GEER) Fund (CARES)	84.425C	5895-21-3810	-	21,913
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425D	5890-21-3810	-	129,295
Subtotal for 84.425			-	151,208
Total U.S. Department of Education			-	742,471
Total Expenditures of Federal Awards			\$ -	\$ 1,354,006

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

## **Putnam Valley Central School District, New York**

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

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### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Putnam Valley Central School District, New York ("School District") under programs of the federal government for the year ended June 30, 2021. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

### **Note 2 - Summary of Significant Accounting Policies**

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

### **Note 3 - Indirect Cost Rate**

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



**Putnam Valley Central School District, New York**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021

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**Section I - Summary of Auditors' Results**

**Financial Statements**

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

Unmodified

Internal control over financial reporting:

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

\_\_\_ Yes     X  No  
\_\_\_ Yes     X  None reported

Noncompliance material to financial statements noted?

\_\_\_ Yes     X  No

**Federal Awards**

Internal control over major federal programs:

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

\_\_\_ Yes     X  No  
\_\_\_ Yes     X  None reported

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

Unmodified

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

\_\_\_ Yes     X  No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

10.555  
10.559

Child Nutrition Cluster:  
National School Lunch Program - Commodities  
Summer Food Service Program for Children

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_ Yes     X  No

**Putnam Valley Central School District, New York**

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2021

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**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**Putnam Valley Central School District, New York**

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

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None