PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 17, 2022

NEW ISSUE **TAX ANTICIPATION NOTES**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See "Tax Matters" herein).

The District will designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

GREENPORT UNION FREE SCHOOL DISTRICT, SUFFOLK COUNTY, NEW YORK

$3,500,000* TAX ANTICIPATION NOTES FOR 2022-2023 TAXES

(the "Notes")

Date of Issue: November 3, 2022 **Maturity Date: April 3, 2023**

The Notes are general obligations of the Greenport Union Free School District, in Suffolk County, New York (the "District"), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, subject to certain statutory limitations.

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

The Notes will be issued in registered form and, at the option of the purchaser(s), the Notes will be (i) registered in the name of the successful bidder(s) or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes.

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

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See *"Book-Entry-Only System"* herein).

Proposals for the Notes will be received at 11:00 A.M. (Prevailing Time) on October 25, 2022 at the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. Munistat Services, Inc. has served as Municipal Advisor to the District in connection with the issuance of the Notes. It is expected that delivery of the Notes will be made in New York, New York or as otherwise agreed on or about November 3, 2022.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE DISTRICT FOR THE PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINING DISCLOSURE FOR THE NOTES, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

October , 2022

*Preliminary, subject to change.

GREENPORT UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

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SCHOOL DISTRICT COUNSEL

Ingerman Smith LLP
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* * *

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* * *

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Since 1977

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No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor there any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the District from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

TABLE OF CONTENTS

TABLE OF CONTENTS - CONTINUED

Page

OFFICIAL STATEMENT

GREENPORT UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

Relating To

$3,500,000* TAX ANTICIPATION NOTES FOR 2022-2023 TAXES
(the "Notes")

This Official Statement, including the cover page and appendix hereto, presents certain information relating to the Greenport Union Free School District, in the County of Suffolk, State of New York (the "District," "County" and "State," respectively) in connection with the sale of $3,500,000* Tax Anticipation Notes for 2022-2023 Taxes (the "Notes").

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this world-wide event. (See *"RISK FACTORS"* and *"IMPACT OF COVID-19"* herein.)

THE NOTES

Description

The Notes will be dated and will mature, without option of prior redemption, as reflected on the cover page hereof.

The District will act as Paying Agent for any Notes issued in book-entry form and the purchaser(s) will serve as paying agent for the Notes registered in the name of the purchaser(s). Paying agent fees, if any, will be paid by the purchaser(s). The District's contact information is as follows: Dr. Philip Kenter, Business Official, Greenport Union Free School District, 720 Front Street, Greenport, NY 11944, Phone (631) 477-1950, Fax (631) 593-8950 and email: pkenter@gufsd.org.

Optional Redemption

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

Description of Book-entry-only System

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

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*Preliminary, subject to change

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

Authorization for and Purpose of Notes

The Notes are issued pursuant to the Constitution and laws of the State, including Sections 24.00 and 39.00 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and a tax anticipation note resolution adopted by the Board of Education of the District to finance cash flow requirements in anticipation of the collection of 2022-2023 real property taxes levied for school purposes on all taxable real property in the District. The proceeds of the Notes may be used only for the purposes for which such taxes have been or are to be levied, as specified in the 2022-2023 annual budget of the District, unless all of said purposes have been paid and satisfied, in which case the proceeds of the notes may be used for any lawful school purpose. The proceeds of the Notes will not be used for the redemption or renewal of any outstanding tax anticipation or revenue anticipation notes.

Pursuant to Section 24.00(e) of the Local Finance Law, generally, whenever the amount of the Notes and any additional tax anticipation notes issued by the District in anticipation of the receipt of 2022-2023 real property taxes equals the amount of such taxes remaining uncollected, the District is required to set aside in a special bank account all of such uncollected taxes as thereafter collected, and to use the amounts so set aside only for the purpose of paying such Notes. Interest on the Notes will be provided from budget appropriations.

Security and Source of Payment

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

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District, subject to certain statutory limitations imposed by the Chapter 97 of the New York Laws of 2011, as amended. See "*Tax Levy Limit Law*" herein.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law, (herein referred to as the "Tax Levy Limit Law" or "Law"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such year to year increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (such as the Notes), revenue anticipation notes, budget notes and deficiency notes, and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "*The Tax Levy Limit Law,*" herein.)

REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

SECTION 99-B OF THE STATE FINANCE LAW APPLICABLE TO SCHOOL DISTRICTS

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

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

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

NO PAST DUE DEBT

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

BANKRUPTCY

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

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

THE DISTRICT

Description

The District is located on the north fork of eastern Long Island in the Town of Southold, approximately 100 miles east of midtown New York City. The District encompasses a land area of approximately five square miles and includes the Village of Greenport. Peconic and Gardiners Bays provide access to Long Island Sound and the Atlantic Ocean. Commercial year-round ferry service is available to Shelter Island and rail service connecting the District to New York City and western Long Island is provided by the Long Island Rail Road. In addition, New York State Route 25 connects the District to Orient Point where high-speed ferry passenger service from New England is available year-round.

The District is primarily residential in nature, with the majority of residences being single-family homes, with some townhouse condominiums and apartment houses. The population of the District is estimated at 4,000 and population does increase significantly during the summer months as there are a large number of vacation residences within the District. The Town of Southold Police Department provides police protection in the District, with fire protection provided by local volunteer fire service. Electric, water and sewer utilities within the District are provided by the Village of Greenport to the resident within the boundaries of the Village and by PSEG Long Island and Suffolk County Water Authority to those District residents located outside the Village of Greenport. National Grid provides natural gas service to District residents. Eastern Long Island Hospital is located within the District and services the District and surrounding areas.

The economy consists of small businesses, many focusing on the service sectors supporting tourism and fishing. In addition, there are several commercial enterprises. The area is a year-round tourist destination offering access to boating, fishing, golf, dining, shopping and the local vineyards and wine-making industry. In recent years, the District has undergone significant economic development, including the development of Mitchell Park in downtown Greenport, which includes newly installed docking facilities, a scenic walkway, a waterfront amphitheater and an antique carousel housed in a glass pavilion. The area also includes the *Peconic Landing*, a not-for-profit waterfront retirement community. This development activity has provided significant increases in the District's tax-base, with *Peconic Landing* alone contributing more than $1 million in assessed value.

The District operates from a single building with a capacity of 1,000 pupils serving grades Pre-K through 12. Enrollment in the past five years averaged approximately 675 students. Enrollment is expected to remain relatively stable over the course of the next five years.

District Organization

The Board of Education, which is the policy-making body of the District, consists of five members with overlapping three-year terms so that as nearly an equal number as possible is elected to the Board each year. The President and the Vice President are elected by the Board members.

The administrative officers of the District, whose duty it is to implement the policies of the Board of Education (the "Board") and who are appointed by the Board, include the Superintendent of Schools, the School Business Official, the District Clerk, and the School District Treasurer.

Enrollment History

The following table presents the past school enrollment for the District.

School Year	School Enrollment
2018	677
2019	665
2020	692
2021	653
2022	698

Source: District Officials.

Projected Future Enrollment

The following table presents the projected future school enrollment for the District.

School Year	School Enrollment
2023	730
2024	760
2025	790

Source: District Officials.

District Facilities

The District operates one school; statistics relating to it are shown below.

Name of Building	Grades	Date of Construction	Last Addition	Capacity
Greenport School	Pre-K-12	1933	2011	1,000

Employees

The collective bargaining agents, if any, which represent employees and the dates of expirations of the various collective bargaining agreements are as follows:

Name of Union	Expiration Date of Contract	Approx. No. of Members
Greenport Teachers Association	06/30/2023	79
Civil Service Employees' Association	06/30/2022[a]	32
Non-Unit Administrators & Staff	N/A	8

*Does not include Southold Union Free School District shared employees or part-time staff.
a. Expired contracts currently under negotiations.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

The following table sets forth population statistics.

Year	Town of Southold	Suffolk County	New York State
1990	19,836	1,321,977	17,990,455
2000	20,599	1,419,369	18,976,457
2010	23,175	1,518,475	19,541,453
2020	22,177	1,481,364	19,514,849

Source: Long Island Power Authority and U.S. Bureau of the Census.

Income Data

Income Data is not available for the District as such. The smallest areas for which such statistics are available (which include the District) are the Town of Southold and the County of Suffolk. The information set forth below with respect to such Towns, County and State is included for information purposes only. It should not be implied from the inclusion of such data in this Statement that the District is necessarily representative of the Towns, County or State or vice versa.

	Per Capita Money Income			
	1990	2000	2010	2020[a]
Town of Southold	$19,037	$27,619	$41,450	$56,282
Suffolk County	18,481	26,577	35,411	46,466
State of New York	16,501	23,389	30,791	40,898

	Median Household Income			
	1990	2000	2010	2020[a]
Town of Southold	$35,392	$49,898	$83,240	$87,109
Suffolk County	49,128	65,288	84,235	105,362
New York State	32,965	43,393	55,217	71,117

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimate (2016-2020)

Major Employers in the Town of Southold

Company	Product or Type	Approx. No. of Employees
Eastern Long Island Hospital	Hospital	390
Mattituck-Cutchogue UFSD	Public School	380
Plum Island ADC	U.S. Govt. Facility	330
Town of Southold	Local Government	276
Peconic Landing	Life Care Community	210
Southold UFSD	Public School	198
San Simeon by the Sound	Nursing Home	175
Greenport UFSD	Public School	120

Unemployment Rate Statistics

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

Annual Averages:	Suffolk County	New York State
2017	4.5	4.6
2018	3.8	4.1
2019	3.5	3.8
2020	8.5	10.0
2021	4.9	7.2
2022 (8 Months)	3.3	4.7

Source: Department of Labor, State of New York.

INDEBTEDNESS OF THE DISTRICT

Constitutional and Statutory Requirements

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

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

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

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

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

Statutory Procedure

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

The Board of Education, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principle amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes previously received by the District.

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

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

The following table sets forth the computation of the debt limit of the District and its debt contracting margin:

Computation of Debt Limit and Debt Contracting Margin
(As of October 17, 2022)

In Town of:	Assessed Valuation	State Equalization Rate (%)	Full Valuation
Southold (2021-2022)[a]	$16,018,661	0.70	$2,288,380,143
Total			$2,288,380,143
Debt Limit - 10% of Full Valuation			$228,838,014
Inclusions:[b]			
Outstanding Bonds			$5,015,000
Bond Anticipation Notes			9,000,000
Total Indebtedness			14,015,000
Exclusions (Estimated Building Aid) [c]			1,401,500
Total Net Indebtedness			12,613,500
Net Debt Contracting Margin			$216,224,514
Per Cent of Debt Contracting Margin Exhausted			5.51%

a. The latest completed assessment rolls for which a State Equalization Rate have been established.
b. Tax Anticipation Notes, Energy Performance Lease and Revenue Anticipation Notes are not included in computation of the debt contracting margin of the District.
c. Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes, based on the most recent information received by the District from the State Department of Education. The amount shown is not necessarily the amount the District will ultimately receive. The District has not applied for a building aid exclusion certificate from the Commissioner of Education and therefore may not exclude such amount from its total indebtedness on the Debt Statement form required to be filed with the Office of the State Comptroller when bonds are to be issued.

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the District has bond anticipation notes outstanding in the amount of $9,000,000 that mature on June 23, 2023.

Trend of Outstanding Indebtedness
As at June 30:

	2018	2019	2020	2021	2022
Bonds	$7,075,000	$6,680,000	$6,275,000	$5,390,000	$5,015,000
BANs	-	-	-	-	-
Other	350,423	299,060	245,067	188,310	128,647
Total	$7,425,423	$6,979,060	$6,520,067	$5,578,310	$5,143,647

Source: Audited Financial Statements.

Debt Service Requirements - Outstanding Bonds

The following table shows the debt service requirements to maturity on the District's outstanding bonded indebtedness, not including payments made to date.

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	$ 395,000	$ 179,675	$ 574,675
2024	410,000	161,250	571,250
2025	430,000	141,944	571,944
2026	450,000	121,619	571,619
2027	470,000	99,925	569,925
2028	495,000	76,775	571,775
2029	510,000	56,750	566,750
2030	525,000	42,300	567,300
2031	535,000	29,550	564,550
2032	550,000	16,450	566,450
2033	120,000	7,400	127,400
2034	125,000	2,500	127,500
Totals:	$5,015,000	$936,138	$5,951,138

Source: Audited Financial Statements.

Debt Service Requirements – Energy Performance Contract

The District entered into a lease during its 2008-2009 fiscal year to provide funding for its Energy Performance Contract in the amount of $674,825. The outstanding debt service requirements for such lease is presented below.

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	$ 62,718	$6,587	$ 69,305
2024	65,929	3,376	69,305
Totals:	$128,647	$9,963	$138,610

Source: Audited Financial Statements

Revenue and Tax Anticipation Notes

The District has generally found it necessary to borrow from time to time in anticipation of taxes, which borrowing is necessitated by the schedule of real property tax. The District has not found it necessary to borrow in anticipation of State aid revenue payments during the past five years. The following is a history of such tax anticipation note borrowings for the five most recent fiscal years:

Fiscal Year Ending June 30:	Amount	Type	Issue	Maturity
2018	$3,000,000	TAN	11/14/17	06/27/18
2019	3,000,000	TAN	11/08/18	06/27/19
2020	3,000,000	TAN	11/05/19	06/25/20
2021	3,500,000	TAN	11/10/20	06/25/21
2022	3,500,000	TAN	11/04/21	06/24/22

Authorized and Unissued Debt

As of the date of this Official Statement, the District has authorized and unissued debt in the amount of $8.187 million for the construction of improvements to all District school buildings and sites.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Suffolk	03/21/2022	0.70	$10,024,545	$8,258,430
Town of Southold	09/02/2021	15.00	4,894,758	4,801,158
Village of Greenport	09/28/2021	100.00	5,706,600	4,225,000
			$20,625,903	$17,284,588

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

Debt Ratios
(As of October 17, 2022)

	Amount	Per Capita[a]	Percentage of Full Value (%)[b]
Total Direct Debt	$14,015,000	$3,504	0.612
Net Direct Debt	12,613,500	3,153	0.551
Total Direct & Applicable Total Overlapping Debt	34,640,903	8,660	1.514
Net Direct & Applicable Net Overlapping Debt	29,898,088	7,475	1.307

a. The current population of the District is 4,000.
b. The full valuation of taxable property for 2021-2022 is $2,288,380,143.

FINANCES OF THE DISTRICT

Impact of COVID-19

In December of 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was enacted as the second act of federal relief in response to COVID-19. The CRRSA Act provides approximately $4.3 billion to support schools in the State, with the funds available to be spent through September 2023. This is in addition to the $1.2 billion in Federal Coronavirus Aid, Relief and Economic Security (CARES) Act funding, which can be spent through September 2022. The CRRSA Act provides the State with $4.0 billion through the Elementary and Secondary School Emergency Relief (ESSER) Fund and $323 million through the Governor's Emergency Education Relief (GEER) Fund. Districts may generally use these funds for broad purposes, including general operating and pandemic-related costs such as purchasing personal protective equipment. Additionally, the State has been allocated approximately $9.0 billion under the American Rescue Plan (ARP) Act's Elementary and Secondary School Emergency Relief Fund (ESSER).

The District is expected to receive a total of $1,078,030 through CRRSA and ARP funding. (See also "*State Aid*" herein.)

Independent Audit

The financial affairs of the District are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the District has complied with the requirements of various state and federal statutes. The financial statements of the District are audited each year by an independent public accountant. The last such audit covers the fiscal year ended June 30, 2021. The audited financial statements for the fiscal year ending June 30, 2022 are expected to be completed by December, 2022. A copy of such report for fiscal year ending June 30, 2021 is included herein as Appendix C. The audit for fiscal year ending June 30, 2022 is expected to be completed by year's end.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the GML, the District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District, itself; (5) certificates of participation issued in connection with installment purchase agreements entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

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

The Board of Education of the District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

Fund Structure and Accounts

The General Fund is the general operating fund for the District and is used to account for substantially all revenues and expenditures of the District. The District also maintains a special aid fund, Trust and Agency fund, and school lunch fund.

Basis of Accounting

The district-wide and fiduciary fund financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transaction, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, grants and donations. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the related expenditures are incurred.

The fund statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

Source: Audited Financials of the District.

Budget Process

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated and the first draft of the next year's proposed budget is developed by the central office staff. During the winter and early spring, the budget is developed and refined in conjunction with the school building principals and department supervisors. The District's budget is subject to the provisions of the Tax Levy Limit Law, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. (See *"The Levy Limit Law"* herein).

On May 17, 2022, a majority of the voters of the District approved the District's budget for the 2022-2023 fiscal year. Summaries of the District's Adopted Budgets for the fiscal years 2021-2022 and 2022-2023 may be found in Appendix A, herein.

Revenues

The District receives most of its revenue from a real property tax on all non-exempt real property situated within the District and State aid. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See *"Tax Information"* herein.

State Aid

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

The following table sets forth the percentage of the District's General Fund revenue comprised of State aid for each of the fiscal years 2017 through 2021, and the amounts budgeted for 2022 and 2023.

Fiscal Year Ending June 30:	General Fund Total Revenue	State Aid	State Aid to Revenues (%)
2017	$16,833,539	$1,410,104	8.38
2018	17,653,823	1,475,184	8.36
2019	18,249,712	1,570,221	8.60
2020	19,121,067	1,599,931	8.37
2021	18,876,532	1,580,579	8.37
2022 (Budgeted)	20,452,000	1,935,238	9.46
2023 (Budgeted)	21,627,457	2,423,532	11.21

Source: Audited Financial Statements of the District and Adopted Budgets of the District.
a. Budgeted revenues include the application of reserves and fund balance.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (See "*STAR – School Tax Exemption*" herein).

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Due to the outbreak of COVID-19 the State initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19 including closing schools and non-essential businesses for an extended period. The use of federal stimulus funds has allowed the State to avoid gap closing measurements; however, the State may be required to implement gap closing measurements in the future. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State's 2022-23 Enacted Budget provides $31.3 billion in State funding to school districts for the 2022-23 school year the highest level of State aid ever. This represents a year-to-year funding increase of $2.1 billion or 7.07% and includes $21.4 billion of Foundation Aid which increased 8.1% from 2021-22. The 2022-23 school year increase in Foundation Aid primarily reflects the second year of the three-year phase-in of full funding of the current Foundation Aid formula.

The State's 2022-23 Enacted Budget also increases the State's annual investment in prekindergarten to $1.1 billion, an increase of $125 million, or 13%. The Enacted Budget also includes a total of $100 million of matching funds over two years to be provided to school districts and BOCES with the highest needs to address student wellbeing and learning loss in response to the trauma brought about by the COVID-19 pandemic. This includes support for extended school day or school year programs, afterschool programs, mental health professionals and other locally determined initiatives.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2022-23 Enacted Budget was adopted on April 9, 2022. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, the COVID-19 pandemic, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revisions. Reductions in federal funding levels could have a materially adverse impact on the State budget.

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

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

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

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date. (See also "*School district fiscal year (2021-2022)*" under the subheading "*Events Affecting State Aid to New York School Districts*" herein.)

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2021, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of Foundation Aid funding is set forth below:

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

Events Affecting State Aid to New York School Districts

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

School district fiscal year (2018-2019): The State's 2018-2019 Budget provided for school aid of approximately $26.7 billion, an increase of approximately $1.0 billion in school aid spending from the 2017-2018 school year. The majority of the increases were targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.2% and building aid increased by 4.7%. The State 2018¬2019 Budget continued to link school aid increases for 2018-2019 and 2019-2020 to teacher and principal evaluation plans.

School district fiscal year (2019-2020): The State's 2019-2020 school year, the State's Enacted Budget included a total of $27.9 billion for School Aid, a year-to-year funding increase of approximately $1.2 billion. The majority of the increases were targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education will continue in full, as is the State's usual practice. Transportation aid increased by approximately 4.5% and building aid increased by approximately 3.7%. The State 2019¬2020 Enacted Budget continued to link school aid increases for 2019-2020 and 2020-2021 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

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

School district fiscal year (2021-2022): For the 2021-2022 school year, the State's Enacted budget provided $29.5 billion in State funding to school districts for the 2021-2022 school year through School Aid, the highest level of State aid ever, supporting the operational costs of school districts that educate 2.5 million students statewide. This investment represented an increase of 11.3% ($3.0 billion) compared to the 2020-2021 school year, including a $1.4 billion (7.6%) Foundation Aid increase. The Enacted budget allocated $13 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, will help schools safely reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The Budget allocated $629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the Budget used $105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-2022 school year.

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

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the remainder of the current fiscal year. The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. (See also "*Risk Factors*").

Expenditures

The major categories of expenditure for the District are General Support, Instruction, Employee Benefits, Pupil Transportation and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A.

The State Comptroller's Fiscal Stress Monitoring System and OSC Compliance Reviews

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

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

The most current applicable report of OSC designates the District as "Susceptible" (Fiscal Score: 26.7%; Environmental Score: 40.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The District has not been audited in the previous five years.

References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Employee Pension System

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System ("TRS"). Employer pension payments to the TRS are generally deducted from State aid payments. All non-NYS certified/civil service employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System ("ERS"). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year's full-time service contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, the Governor signed in to law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010 and before March 31, 2012. ERS employees contribute 3% of their salaries and TRS employees contribute 3.5% of their salaries. There is no provision for these employee contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. This new pension tier has progressive employee contribution rates between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier is 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at $15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of $75,000 or more.

Under current law, the employer pension payments for a given fiscal year are based on the value of the pension fund on the prior April 1 thus enabling the District to more accurately include the cost of the employer pension payment in its budget for the ensuing year. In addition, the District is required to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower payment possible. The annual employer pension payment is due on February 1 of each year.

Due to poor performance of the investment portfolio of TRS and ERS during the recent financial crisis, the employer contribution rates for required pension payments to the TRS and ERS increased substantially. To help mitigate the impact of such increases, various forms of legislation have been enacted that permitted school districts to amortize a portion of its annual employer pension payments. The District has not amortized any of its employer pension payments pursuant to such legislation and expects to continue to pay all payments in full when due.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year.

The following chart represents the ERS and TRS required contributions for each of the completed fiscal years below and the budgeted amounts for the current fiscal year:

Fiscal Year Ending June 30:	TRS	ERS
2018	$818,347	$170,983
2019	692,070	178,293
2020	762,029	179,775
2021	651,688	208,720
2022	780,738	218,406
2023 (Budgeted)	835,377	192,827

Source: District Officials.

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended June 30, 2018, the District adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 75, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the employer's current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost. Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

The District's total OPEB liability at June 30, 2022 is as follows:

Changes in the Total OPEB Liability	Fiscal Year Ending June 30, 2022:
Total OPEB Liability at June 30, 2021	$73,949,655
Charges for the Year:	
Service Cost	3,437,189
Interest	1,656,552
Changes of Benefit Terms	(126,354)
Differences Between Expected and Actual Experience	(15,043,913)
Changes in assumptions or other inputs	(13,071,889)
Benefit Payments	(1,396,693)
Net Changes	(24,545,108)
Total OPEB Liability at June 30, 2022	$49,404,547

The OSC has recently proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments. The District cannot predict at this time whether such proposed legislation will be enacted into law. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the District has decided to continue funding the expenditure on a pay-as-you-go basis.

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

TAX INFORMATION

Real Property Taxes

The District derives its power to levy an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the Town of Southold. Assessment valuations are determined by the Town assessors and the State Board of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation or debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations; however, see "*The Tax Levy Limit Law*" herein for a discussion of certain statutory limitation that have been imposed.

The following table sets forth the percentage of the District's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2017 through 2021, and the amounts budgeted for 2022 and 2023.

Fiscal Year Ending June 30:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
2017	$16,833,539	$13,184,911	78.33
2018	17,653,823	13,744,641	77.86
2019	18,249,712	14,434,868	79.10
2020	19,121,067	14,937,085	78.12
2021	18,876,532	15,774,000	83.56
2022 (Budgeted)	20,452,000	16,051,526	78.48
2023 (Budgeted)	21,627,457	16,551,082	76.53

Source: Audited Financial Statements of the District and Adopted Budgets of the District.

a. Budgeted estimates for real property taxes include STAR. Budgeted estimates for total revenues include appropriations of fund balance.

Tax Collection Procedure

Property taxes for the District, together with County, Town and Fire District taxes, are collected by the Town Tax Receivers. Such taxes are due and payable in equal installments on December 1 and May 10, but may be paid without penalty by January 10 and May 31, respectively. After May 31st there is a 5% penalty for unpaid taxes plus 5% interest. Penalties increase 1% per month thereafter.

The Town Tax Receivers distribute the collected tax money to the Towns, fire and school districts prior to distributing the balance collected to the County. Uncollected amounts are not segregated by the Receivers and any deficiency in tax collection is the County's liability. The District thereby is assured of full tax collection. In certain years, a portion of such tax collections are received after June 30.

The Tax Levy Limit Law

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

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

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

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

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $66,800 for the 2018-19 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $500,000 are eligible for a $30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Enacted Budget included changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year's amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year's STAR credit check or taxpayers also may account for those changes in their State income taxes.

The 2019-20 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared with a $500,000 limit for the Credit. The amount of the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. The State's 2020-21 Enacted Budget withholds STAR benefits to taxpayers who are delinquent in the payment of their school taxes and maintains the income limit for the exemption to $250,000, compared with a $500,000 limit for the credit.

Approximately 12% of the District's 2021-2022 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 12% of the District's 2022-2023 school tax levy is expected to be exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January 2023. (See *"State Aid"* herein).

Valuations, Rates and Levies

The following table sets forth District's assessed and full valuations, tax rates and levies for each of the years 2018 through 2022.

Fiscal Year Ending June 30:	Assessed Valuation	State Equal. Rate (%)	Full Valuation	Tax Rate Per $1,000 Assessed Valuation	Tax Levy
2018	$15,659,676	1.01	$1,550,462,970	$912.87	$14,304,000
2019	15,760,102	0.94	1,676,606,596	949.18	14,964,200
2020	15,919,058	0.93	1,711,726,667	965.96	15,390,000
2021	16,031,093	0.88	1,821,715,114	983.16	15,774,000
2022	16,018,661	0.70	2,288,380,143	1,000.83	16,051,526

Selected Listing of Large Taxable Properties in the District
2021-2022 Assessment Roll

Name	Type	Assessed Valuation
Peconic Landing	Senior Community	$1,357,704
LIPA, LILCO, Keyspan	Utility	652,510
Greenport Power LLC	Utility	400,000
Brewer Yacht Yard	Marina	125,000
Levin Family LTD	Motel	98,700
Driftwood Cove	Apartments	90,000
William Claudio	Restaurant	70,245
Riverhead Building Supply	Lumber Company	59,200
Front Street Park LLC	Hotel	51,500
Breezy Shores	Cottage Community	48,000
Townsend Manor	Restaurant	45,100
	Total [a]	$2,997,959

a. Represents 18.72% of the Assessed Valuation of the District for 2021-2022.
Source: Town Assessment Roll.

LITIGATION

In common with other school districts, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of District taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. There are no significant claims filed by the larger taxpayers at this time. (See "*Tax Collection Procedure*" herein.)

CYBERSECURITY

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

RISK FACTORS

There are certain potential risks associated with an investment in the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

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

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

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

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for extended periods. The spread of the outbreak or resurgence could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein).

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

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

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

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

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

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

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

Note Premium

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, substantially as set forth in Appendix D hereto.

DISCLOSURE UNDERTAKING

In order to assist the purchasers of the Notes in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will execute an "Undertaking to Provide Notices of Events", substantially in the form of which is attached hereto as Appendix E.

RATING

The Notes are not rated. Moody's Investors Service ("Moody's") has assigned a rating of "Aa3" to the Outstanding Bonds of the District. This rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's, 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such ratings could have an adverse affect on the market price of the Bonds or the availability of a secondary market for such Bonds.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the business office of the District: Dr. Philip Kenter, Business Official, Greenport Union Free School District, 720 Front Street, Greenport, NY 11944, Phone (631) 477-1950, Fax (631) 593-8950 and email: pkenter@gufsd.org or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631-331-8888.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District's management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District's documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

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

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be, in fact, realized. This Official Statement is not to be construed as a contract or agreement between the District and the original purchasers or owners of any of the Notes.

By: s/s JAIME MARTILOTTA
President of the Board of Education
Greenport Union Free School District
Greenport, New York

October , 2022

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Fund Balance
General Fund

	Fiscal Year Ending June 30:				
	2017	2018	2019	2020	2021
Revenues:					
Real Property Taxes	$ 13,184,911	$ 13,744,641	$ 14,434,868	$ 14,937,085	$ 15,774,000
Other Real Property Tax Items	595,811	569,150	535,122	465,348	14,051
Charges for Services	1,548,928	1,816,872	1,657,473	2,023,597	1,215,822
Use of Money and Property	1,926	2,013	2,217	18,079	2,612
Miscellaneous	90,744	40,269	37,055	70,034	140,212
State Aid	1,410,104	1,475,184	1,570,221	1,599,931	1,580,579
Federal Sources	1,115	5,694	12,756	6,993	149,256
Medicaid Reimbusement					
Total Revenues	$ 16,833,539	$ 17,653,823	$ 18,249,712	$ 19,121,067	$ 18,876,532
Expenditures:					
General Support	$ 1,691,239	$ 2,019,229	$ 2,080,921	$ 2,019,793	$ 2,330,851
Instruction	8,809,774	9,217,259	9,498,206	10,260,222	9,790,801
Pupil Transportation	476,300	451,797	459,813	498,970	530,070
Employee Benefits	4,809,629	4,855,129	5,107,442	5,172,421	5,136,309
Debt Service	770,636	750,259	769,417	748,500	681,453
Total Expenditures	$ 16,557,578	$ 17,293,673	$ 17,915,799	$ 18,699,906	$ 18,469,484
Other Sources and Uses:					
Premiums on Short-Term Obligations	13,202	12,512	13,772	12,260	14,945
Operating Transfers In					
Operating Transfers (Out)	(29,175)	(32,031)	(12,781)	(1,029,027)	(13,701)
Total Other Sources and (Uses)	(15,973)	(19,519)	991	(1,016,767)	1,244
Excess (Deficiency) of Revenues & Other Sources over Expenditures & Other (Uses)	259,988	340,631	334,904	(595,606)	408,292
Adjustments					
Fund Balance Beginning of Year	4,543,551	4,803,539	5,144,170	5,479,074	4,883,468
Fund Balance End of Year	$ 4,803,539	$ 5,144,170	$ 5,479,074	$ 4,883,468	$ 5,291,760

Source: Audited Annual Financial Reports of the School District (2017-2021)

Balance Sheet - General Fund

Fiscal Year Ended June 30:

		2020		2021
ASSETS:				
Cash	$	3,846,071	$	4,201,982
Taxes		851,112		866,013
State and Federal Aid		77,597		171,195
Due From Other Funds		584,884		1,469,883
Due From Other Governments		914,465		832,356
Accounts Receivable				
Prepaid Expenditures		292,079		304,502
Other Assets				
Total	$	6,566,208	$	7,845,931
LIABILITIES:				
Accounts Payable	$	102,693	$	329,024
Accrued Liabilities		12,144		15,338
Due to Other Governments		509,795		557,645
Due to Other Funds		118,801		572,024
Other Liabilities				54,869
Compensated Absences Payable		137,781		166,577
Due to Teachers' Retirement System		706,538		778,379
Due to Employees' Retirement System		59,382		75,315
Deferred Revnues		35,606		
Collections in Advance				5,000
Total Liabilities		1,682,740		2,554,171
FUND EQUITY:				
Nonspendable		292,079		304,502
Restricted		3,207,332		3,500,940
Assigned		583,562		669,915
Unassigned		800,495		816,403
Total Fund Equity		4,883,468		5,291,760
Total Liabilities and Fund Equity	$	6,566,208	$	7,845,931

Source: Audited Annual Financial Report of the School District (2020-2021)

BUDGET SUMMARIES

Fiscal Year Ending June 30:

	2022[a]	2023[b]
Revenues:		
Real Property Taxes	$ 16,051,526	$ 16,551,082
Local Revenues	1,513,736	1,820,583
State Aid	1,939,738	2,423,532
Appropriation of Fund Balance	947,000	832,260
Total Revenues	$ 20,452,000	$ 21,627,457
Expenditures:		
General Support	$ 2,363,942	$ 2,632,753
Instruction	10,515,188	11,235,234
Pupil Transportation	810,815	842,988
Employee Benefits	5,909,774	6,004,262
Transfers	36,700	36,700
Debt Service & Transfers	815,581	875,520
Total Expenditures	$ 20,452,000	$ 21,627,457

a. Aproved by the voters of the District on May 18, 2021.

b. Aproved by the voters of the District on May 17, 2022.

Source: Adopted Budgets of the District

APPENDIX B

CASH FLOWS

GREENPORT UNION FREE SCHOOL DISTRICT
ACTUAL CASH FLOW SUMMARY 2021-2022

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
Balance - Beginning of Month	2,698,257	3,128,810	2,672,313	919,362	273,653	1,931,948	907,912	5,922,630	9,209,192	8,937,680	7,617,178	7,047,264	2,698,257
Receipts													
Real Property Taxes/STAR	412,883					7,950	6,508,978	3,006,917	579,408	245,134	642,179	4,748,829	16,152,277
STAR Reimbursement							373,637						373,637
Tuition/Shared Servs	576,384	65,473	86,373					1,490,934			87,492		2,306,656
State/ Federal Aid	57,269	60,422	97,033	53,109	80,724	141,749	107,451	6,252	769,776			115,928	1,489,712
Interest Income	139	116	96	51	131	72	76	298	363	341	352	339	2,374
Other Receipts	26,087	1,409	1,269	451,866	142,580	3,026	5,478	7,978	3,452	6,145	15,693	303,607	968,589
Spec Aid/School Lunch Receipts	48,486			163,321	33,065	923,113	164,693	76,729	28,173	20,000	60,705	48,434	1,566,719
TAN Proceeds					3,500,000								3,500,000
Total Receipts	1,121,247	127,419	184,771	668,347	3,756,500	1,075,910	7,160,313	4,589,108	1,381,172	271,620	806,421	5,217,136	26,359,963
Disbursements													
Salary and Benefits	190,200	124,551	695,744	691,962	828,968	1,064,035	914,863	737,514	721,580	690,156	681,712	1,880,461	9,221,746
Health Insurance	284,864	290,488	304,150		287,182	301,456	608,742	284,775	302,641	300,452		600,832	3,565,585
Operating Expense	190,630	81,877	780,827	422,094	356,956	619,455	521,990	138,084	548,462	351,578	344,623	836,453	5,193,029
Debt Service					477,925						240,000	97,222	815,147
Transfer to Other Funds/Reserves	25,000	87,000	157,000	200,000	147,173	115,000	100,000	142,173	80,000	249,936	110,000	260,000	1,673,282
TAN Repayment												3,500,000	3,500,000
TAN Interest												15,000	15,000
Total Disbursements	690,694	583,916	1,937,722	1,314,056	2,098,205	2,099,946	2,145,595	1,302,546	1,652,683	1,592,123	1,376,335	7,189,968	23,983,789
Balance	3,128,810	2,672,313	919,362	273,653	1,931,948	907,912	5,922,630	9,209,192	8,937,680	7,617,178	7,047,264	5,074,431	5,074,431
Note Payment Account													
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Receipts	0	0	0	0	0	0	0	0	0	0	0	3,500,000	3,500,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	3,500,000	3,500,000
Closing Balance	0	0	0	0	0	0	0	0	0	0	0	0	0

* Balance as of June 30, 2021 excludes approximately $1.5 million in certain reserves.

GREENPORT UNION FREE SCHOOL DISTRICT
CASH FLOW SUMMARY 2022-2023

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
Balance - Beginning of Month	5,074,431	5,145,914	4,616,934	2,863,984	2,218,275	3,876,570	2,852,533	7,420,969	8,032,073	7,181,154	5,615,518	4,943,008	5,074,431
Receipts													
Real Property Taxes/STAR	819,611					7,950	6,062,696	3,006,917	579,408	245,134	642,179	4,748,829	16,112,723
STAR Reimbursement							373,637						373,637
Tuition/Shared Servs		493,723	86,373					1,490,934			87,492		2,158,522
State/ Federal Aid	61,602	63,670	97,033	53,109	80,724	141,749	107,451	6,252	769,776			145,928	1,527,293
Interest Income	330	348	96	51	131	72	76	298	363	341	352	34	2,493
Other Receipts	43,584	13,002	1,269	451,866	142,580	3,026	5,478	7,978	3,452	6,145	15,693	303,397	997,470
Spec Aid/School Lunch Receipts	69,079	56,562		163,321	33,065	923,113	164,693	76,729	28,173	20,000	60,705	18,434	1,613,875
TAN Proceeds					3,500,000								3,500,000
Total Receipts	994,207	627,305	184,771	668,347	3,756,500	1,075,910	6,714,031	4,589,108	1,381,172	271,620	806,421	5,216,622	26,286,013
Disbursements													
Salary and Benefits	223,301	167,713	695,744	691,962	828,968	1,064,035	914,863	737,514	721,580	690,156	681,712	1,744,461	9,162,010
Health Insurance	299,579		304,150		287,182	301,456	608,742	284,775	302,641	300,452		600,832	3,289,811
Operating Expense	169,845	704,432	780,827	422,094	356,956	619,455	521,990	138,084	548,462	351,578	344,623	836,244	5,794,589
Debt Service					477,925						342,595	55,000	875,520
Transfer to Other Funds/Reserves	230,000	284,139	157,000	200,000	147,173	115,000	100,000	142,173	80,000	249,936	110,000		1,815,421
TAN Repayment								2,675,458	579,408	245,134			3,500,000
TAN Interest												95,000	95,000
Total Disbursements	922,725	1,156,284	1,937,722	1,314,056	2,098,205	2,099,946	2,145,595	3,978,004	2,232,091	1,837,257	1,478,930	3,331,537	24,532,351
Balance	5,145,914	4,616,934	2,863,984	2,218,275	3,876,570	2,852,533	7,420,969	8,032,073	7,181,154	5,615,518	4,943,008	6,828,093	6,828,093
Note Payment Account													
Opening Balance	0	0	0	0	0	0	0	0	2,675,458	3,254,866	0	0	0
Receipts	0	0	0	0	0	0	0	2,675,458	579,408	245,134	0	0	3,500,000
Disbursements	0	0	0	0	0	0	0	0	0	3,500,000	0	0	3,500,000
Closing Balance	0	0	0	0	0	0	0	2,675,458	3,254,866	0	0	0	0

* Balance as of June 30, 2022 excludes approximately $2.2 million in certain reserves.

GREENPORT UNION FREE SCHOOL DISTRICT

APPENDIX C

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND /OR UPDATED BY THE DISTRICT'S AUDITORS IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS FOR INCLUSION OF THE AUDITED FINANCIAL REPORT IN THIS OFFICIAL STATEMENT HAS NOT BEEN REQUESTED NOR OBTAINED.

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

GREENPORT UNION FREE SCHOOL DISTRICT

TABLE OF CONTENTS

Robert S. Abrams
(1926–2014)

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

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Greenport Union Free School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Greenport Union Free School District (the "District") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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Emphasis of Matter

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total other post-employment benefits liability, schedule of District's proportionate share of the net pension liability, and the schedule of District's contributions on pages 1 through 15 and 58 through 62, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 14, 2021

Exhibit 1

GREENPORT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2021 are as follows:

- The District's total net deficit, as reflected in the District-Wide Financial Statements, increased by $7,620,040 or 23.49%.

- The District implemented GASB Statement No. 84, *Fiduciary Activities*, in 2021. This resulted in the restatement of opening net position and fund balance in the amount of $239,652.

- The District's expenses for the fiscal year, as reflected in the District-Wide Financial Statements, totaled $27,779,960. Of this amount, $2,638,923 was offset by program charges for services and operating grants and contributions. General revenues of $17,520,997 amounted to 86.91% of total revenues.

- The general fund's total fund balance, as reflected in the fund financial statements, increased by $408,292, or 8.36%, to $5,291,760. This was due to revenues and other financing sources exceeding expenditures and other financing uses based on the modified accrual basis of accounting.

- The District refunded bonds originally issued in 2011 and as a result of this refunding, the District obtained an economic gain on the transaction (the difference between the present values of the debt service payments on the new and old debt) of $750,969.

- During the year, the District recognized $119,208 in federal grant revenue in relation to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). These funds were recorded in operating grants and contributions in the Statement of Activities on the District-Wide Financial Statements.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

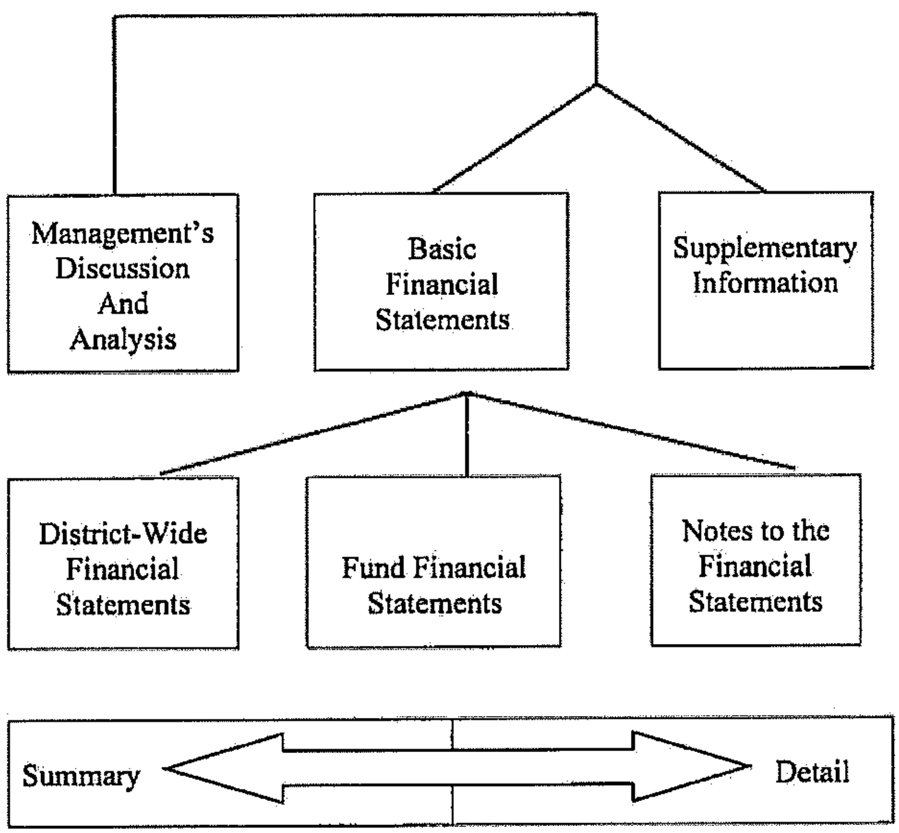
This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Statements.
  - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.

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

Organization of the District's Annual Financial Report



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

GREENPORT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Major Features of the District-Wide and Fund Financial Statements

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

A. District-Wide Financial Statements

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

GREENPORT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

- Over time, increases and decreases in net position are an indicator of whether the financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

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

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

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

B. Fund Financial Statements

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

The District has one kind of fund:

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

3. <u>FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE</u>

A) <u>Net Position:</u>

Current and other assets, other liabilities, restricted net position, and unrestricted net position for 2020 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. This Statement eliminates the trust and agency and the private purpose trust funds and now records those activities in the general fund and miscellaneous special revenue fund. See Footnote 19 for further information.

	As Restated 2020	As Reported 2020	Increase (Decrease)
Current and other assets	$ 7,858,658	$ 7,527,875	$ 330,783
Other liabilities	1,742,935	1,651,804	91,131
Net position			
Restricted	4,271,359	4,109,138	162,221
Unrestricted (deficit)	(38,984,492)	(39,061,923)	77,431
Total net position (deficit)	(32,440,656)	(32,680,308)	239,652

The District's total net deficit increased by $7,620,040 or 23.49%, in the fiscal year ended June 30, 2021 as detailed below.

GREENPORT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Condensed Statement of Net Position-Governmental Activities

	Fiscal Year 2021	As Restated Fiscal Year 2020	Increase (Decrease)	Total % Change
Current and other assets	$7,720,862	$7,858,658	($137,796)	(1.75%)
Capital assets, net	8,991,665	8,785,992	205,673	2.34%
Net pension asset - proportionate share	-	1,116,834	(1,116,834)	(100.00%)
Total Assets	16,712,527	17,761,484	(1,048,957)	(5.91%)
Deferred outflows of resources	31,637,463	33,566,856	(1,929,393)	(5.75%)
Total Assets and Deferred Outflows of resources	48,349,990	51,328,340	(2,978,350)	(5.80%)
Other liabilities	2,078,061	1,742,935	335,126	19.23%
Long-term liabilities	82,491,735	79,006,547	3,485,188	4.41%
Total Liabilities	84,569,796	80,749,482	3,820,314	4.73%
Deferred inflows of resources	3,840,890	3,019,514	821,376	27.20%
Total Liabilities and Deferred Inflows of resources	88,410,686	83,768,996	4,641,690	5.54%
Net Position				
Net investment in capital assets	2,898,799	2,272,477	626,322	27.56%
Restricted	3,803,094	4,271,359	(468,265)	(10.96%)
Unrestricted (Deficit)	(46,762,589)	(38,984,492)	(7,778,097)	(19.95%)
Total Net Position (Deficit)	$ (40,060,696)	$ (32,440,656)	$ (7,620,040)	(23.49%)

Current assets and other assets decreased $137,796 or 1.75%, primarily due to decreases in cash on hand and due from other governments, partially offset by an increase in state aid federal aid receivable.

Capital assets (net of depreciation) increased by $205,673. This was primarily attributable to capital asset additions exceeding depreciation expense.

Net pension asset – proportionate share – teachers' retirement system decreased by $1,116,834 as a result of the actuarial valuation provided by the state, which is now reported as a net pension liability at June 30, 2021.

Deferred outflows related deferred charges on refunding, pension plans and other post-employment benefits obligation decreased by $1,929,393 and represent amortization on deferred charges resulting from a bond refunding, the actuarial determined amounts that will be amortized in future years for pensions and other post-employment benefits obligation, and the District's contributions to the pension plans subsequent to the measurement date, as discussed in Notes 11, 13 and 15, respectively.

Other liabilities increased by $335,126, or 19.23%, from the prior year primarily resulting from increases in accounts payable, compensated absences payable, due to teachers' retirement system, and collections in advance.

Long term liabilities increased by $3,485,188 or 4.41%, from the prior year. This was primarily attributable to increases in the total other post-employment benefits obligation and the net pension liability – proportionate share – teachers' retirement system. These increases were partially offset by decreases in bonds payable, compensated absences payable, energy performance contract debt payable, and the net pension – proportionate share – employees' retirement system.

The net investment in capital assets relates to the investment in capital assets at cost such as land, construction in progress, buildings and improvements, and furniture & equipment, net of depreciation and related debt. This amount increased over the prior year by $626,322 or 27.56% primarily due to the pay down of debt and current year additions, partially offset by current year depreciation expense.

The restricted net position balance in the amount of $3,803,094 relates to the District's general reserves and amounts for scholarships and donations. The restricted amount decreased by $468,265 or 10.96%.

The unrestricted deficit increased by $7,778,097 or 19.95%.

B. Changes in Net Position

Prior year revenues for charges for services, operating grants and contributions, and use of money and property, as well as instruction expenses were increased due to the implementation of GASB Statement No. 84, *Fiduciary Activities*.

	As Restated 2020	As Reported 2020	Increase (Decrease)
Revenues			
Charges for services	$ 2,135,351	$ 2,044,326	$ 91,025
Operating grants and contributions	527,492	510,349	17,143
Use of money and property	18,472	18,086	386
Expenses			
Instruction	21,068,120	20,969,193	98,927

GREENPORT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Change in Net Position from Operating Results Governmental Activities Only

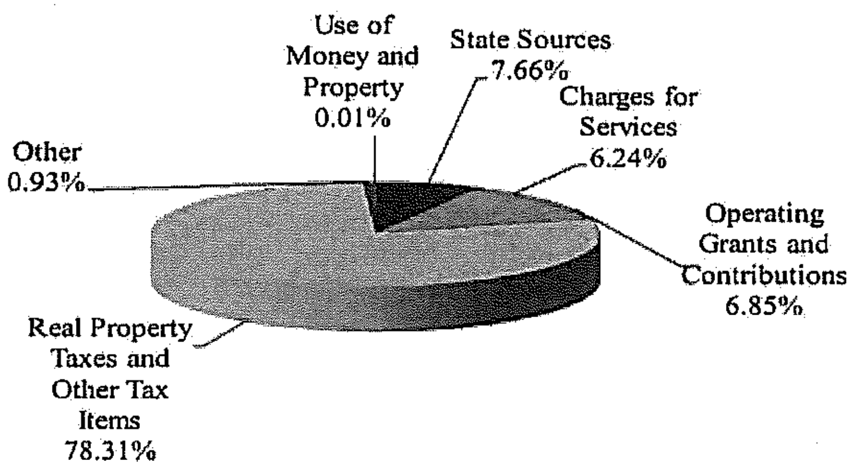
	Fiscal Year 2021	As Restated Fiscal Year 2020	Increase (Decrease)	Total % Change
Revenues				
Program Revenues				
Charges for services	$1,258,429	$2,135,531	($877,102)	(41.07%)
Operating grants	1,380,494	527,492	853,002	161.71%
General Revenues				
Real property taxes and other tax items	15,788,051	15,402,433	385,618	2.50%
Use of money & property	2,768	18,472	(15,704)	(85.02%)
State sources	1,544,973	1,635,537	(90,564)	(5.54%)
Other	185,205	89,287	95,918	107.43%
Total Revenues	$20,159,920	$19,808,752	$351,168	1.77%
Expenses				
General support	$3,527,028	$2,878,789	$648,239	22.52%
Instruction	23,350,918	21,068,120	2,282,798	10.84%
Pupil transportation	530,070	512,779	17,291	3.37%
Debt service-interest	158,667	285,521	(126,854)	(44.43%)
Food service program	213,277	184,286	28,991	15.73%
Total Expenses	$27,779,960	$24,929,495	$2,850,465	11.43%
Increase (Decrease) in Net Position	($7,620,040)	($5,120,743)	($2,499,297)	48.81%

The District's total fiscal year 2021 revenues totaled $20,159,920. Real property taxes and other tax items coupled state sources accounted for most of the District's revenue by contributing 78.31% and 7.66%, respectively, of total revenue. The remainder charges for services, operating grants and contributions, use of money and property, and other miscellaneous sources.

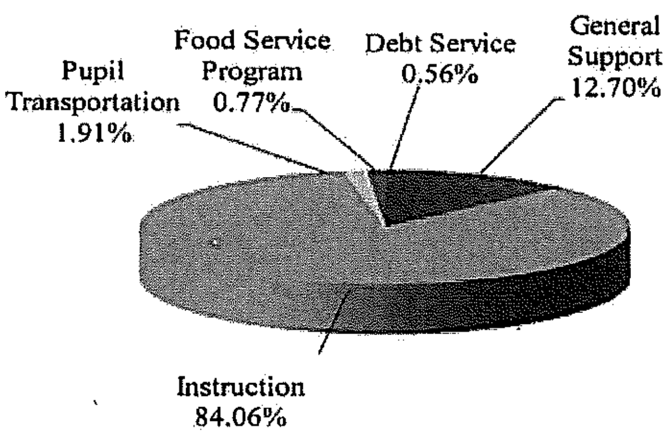
The total cost of all programs and services totaled $27,779,960 for fiscal year 2021. These expenses are predominantly related to general instruction and caring for (pupil services) and transporting students, which account for 85.97% of district expenses. The District's general support activities accounted for 12.70% of total costs.

GREENPORT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Revenues for Fiscal Year 2021



Expenses for Fiscal Year 2021



GREENPORT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As of June 30, 2021, the District's combined governmental funds reported a total fund balance of $5,674,283 which is a decrease of $440,308 or 7.20%, from the prior year. Fund balance for 2021 was restated to include a miscellaneous special revenue fund for scholarships and donations and extraclassroom activities due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. See Footnote 19.

GREENPORT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Nonspendable	$304,502	$292,079	$12,423	4.25%
Restricted for workers' compensation	267,571	277,501	(9,930)	(3.58%)
Restricted for unemployment insurance	70,727	64,220	6,507	10.13%
Restricted for retirement contribution - ERS	560,002	556,863	3,139	0.56%
Restricted for retirement contribution - TRS	340,102	240,042	100,060	41.68%
Restricted for property loss	11,046	11,045	1	0.01%
Restricted for insurance	21,974	21,969	5	0.02%
Restricted for employee benefit accrued liability	725,793	944,059	(218,266)	(23.12%)
Restricted for repairs	597,999	536,045	61,954	11.56%
Restricted for capital	905,726	555,588	350,138	63.02%
Assigned-general support	150,117	84,746	65,371	77.14%
Assigned-instruction	79,798	42,216	37,582	89.02%
Assigned-appropriated for subsequent year's expenditures	440,000	456,600	(16,600)	(3.64%)
Unassigned	816,403	800,495	15,908	1.99%
Total fund balance - general fund	5,291,760	4,883,468	$408,292	8.36%
School Lunch Fund				
Nonspendable - inventory		3,180	(3,180)	(100.00%)
Assigned - unappropriated	132,512	143,479	(10,967)	(7.64%)
Total fund balance - school lunch fund	132,512	146,659	(14,147)	(9.65%)
Miscellaneous Special Revenue Fund				
Assigned - extraclassroom activities	75,655	77,431	(1,776)	(2.29%)
Restricted for scholarships and donations	162,198	162,221	(23)	(0.01%)
Total Fund Balance - Miscellaneous Special Revenue Fund	237,853	239,652	(1,799)	(0.75%)
Capital Projects Fund				
Restricted for capital projects	139,956	901,806	(761,850)	(84.48%)
Restricted for unspent bond proceeds	6,552	6,552	-	0.00%
Unassigned	(134,350)	(63,546)	(70,804)	111.42%
Total fund balance - capital projects fund	12,158	844,812	(832,654)	(98.56%)
Total Fund Balance - all funds	$5,674,283	$6,114,591	($440,308)	(7.20%)

The District can attribute the increase in total fund balance in the general fund primarily due to operating results and Board approved transfers.

A) General Fund

Fund balance in the general fund increased by $408,292 as a result of revenues and other financing sources exceeding expenditures and other financing uses.

B) School Lunch Fund

The decrease in fund balance in the school lunch fund of $14,147 is the result of the current year's operating loss as expenditures exceeded revenues.

C) Miscellaneous Special Revenue Fund:

The fund balance in the miscellaneous special revenue fund decreased $1,799. This decrease is due to the extraclassroom activities in addition to scholarships awarded exceeding scholarships and donations received.

D) Capital Projects

The fund balance in the capital projects fund decreased $832,654. This decrease is due to the current year's capital outlay for various projects during 2020-2021.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2020-2021 Budget

The District's general fund adopted budget for the fiscal year ended June 30, 2021 was $20,100,000. This amount was adjusted by encumbrances carried forward from the prior year in the amount of $126,962, and budget revisions in the amount of $923,642, which resulted in a final budget of $21,150,604. The majority of the funding was derived from real property taxes and other tax items revenue.

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

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

**GREENPORT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Opening, unassigned fund balance	$	800,495
Revenues under budget		(342,423)
Expenditures and encumbrances under budget		2,437,504
Funding of reserves		(1,077,000)
Interest allocated to reserves		(800)
Unused appropriated reserves		(548,950)
Increase in nonspendable fund balance		(12,423)
Assigned -appropriated for June 30, 2022 Budget		(440,000)
Closing, unassigned fund balance	$	816,403

The $800,495 represents the portion of the District's June 30, 2020 fund balance that was retained as unassigned fund balance.

The revenues under budget of ($342,423) were primarily in charges for services. The expenditures and encumbrances under budget of $2,437,504 reflect savings across the budget, including lower than anticipated expenses for items in general support, instruction, pupil transportation and employee benefits (see Supplemental Schedule #1 for detail).

The $1,077,000 represents the total amount funded to the reserves in the amount of $27,000 to the unemployment insurance reserve, $300,000 to the employee benefit accrued liability reserve, $175,000 to the repair reserve, $125,000 to the ERS retirement contribution reserve, $100,000 to the TRS retirement contribution reserve, and $350,000 to the capital reserve.

The $800 represents interest allocated to the reserves in the amount of $70 to the workers' compensation reserve, $15 to the unemployment insurance reserve, $139 to the ERS retirement contribution reserve, $60 to the TRS contribution reserve, $1 to the property loss reserve, $5 to the insurance reserve, $236 to the employee benefit accrued liability reserve, $136 to the repair reserve, and $138 to the capital reserve.

The District budgeted (including budget revisions) $1,333,142 of appropriated reserves and fund balance as follows: $260,000 from the ERS retirement contribution reserve, $230,141 from the repair reserve, $16,500 from the workers' compensation reserve, $28,000 from the unemployment reserve, $658,501 from the employee benefit accrued liability reserve, and $140,000 from unassigned fund balance. However, the District only utilized $784,192 during the 2020-21 year as a result of lower than anticipated expenditures. Therefore $548,950 was returned to the reserves for future use.

The decrease in nonspendable fund balance represents the change in the prepayment of July health insurance from 2020 to 2021.

The assigned-appropriated fund balance of $440,000 represents funds used to decrease the overall tax levy to the benefit of District residents for the 2021-22 fiscal year.

The closing unassigned fund balance represents the fund balance retained by the District that is not reserved or assigned for subsequent years' taxes. This amount is under the 4% statutory limit of the 2021-22 budget.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

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

Capital Assets (Net of Depreciation)

Category	2021	2020	(Decrease)	Change
Land	$142,350	$142,350	$ -	0.00%
Construction in progress	858,822	133,657	725,165	542.56%
Site improvements	2,431,821	2,431,821	-	0.00%
Buildings & building improvements	16,727,460	16,619,971	107,489	0.65%
Vehicles, furniture & equipment	1,308,329	1,200,250	108,079	9.00%
Subtotal	21,468,782	20,528,049	940,733	4.58%
Less: Accumulated depreciation	12,477,117	11,742,057	735,060	6.26%
Total net capital assets	$8,991,665	$8,785,992	$205,673	2.34%

During the year the District had $940,733 in capital asset additions and $735,060 in depreciation expense. See Note 8 to the financial statements for detail.

B. Long-Term Debt Obligations

At June 30, 2021 the District had total bonds payable of $5,390,000 and energy performance contract debt payable of $188,310. More detailed information about the District's long-term debt is presented in the Note 11 to the financial statements.

A summary of outstanding debt at June 30, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Serial bonds	$5,390,000	$6,275,000	($885,000)
Energy performance contract debt	188,310	245,067	(56,757)
Total	$5,578,310	$6,520,067	($941,757)

GREENPORT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

A. The general fund budget for the 2021-22 school year, in the amount of $20,452,000, was approved by voters. This is an increase of $352,000 or 1.75% over the previous year's budget.

B. The federal government has passed several laws in the past year to address the economic and health consequences of the COVID-19 pandemic, including the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act. The District expects to receive non-recurring revenues to be used to fund expenditures that meet the requirements set forth by the U.S. Department of Education.

C. On July 8, 2021 the District issued Bond Anticipation Notes (BAN) in the amount of $5,000,000, which bear an interest rate of 2.00% and mature on July 28, 2022.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Greenport Union Free School District
Marlon Small, Superintendent
720 Front Street
Greenport, NY 11944
(631) 477-1950

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

ASSETS	
Current assets	
Cash	
Unrestricted	$899,001
Restricted	3,678,956
Receivables	
Accounts receivable	314
State and federal aid	1,139,720
Due from other governments	832,356
Taxes receivable	866,013
Prepaid expenditures	304,502
Non-current assets	
Capital assets not being depreciated	1,001,172
Capital assets being depreciated, net of accumulated depreciation	7,990,493
TOTAL ASSETS	16,712,527
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	82,744
Pensions	5,480,456
Other post-employment benefits obligation	26,074,263
TOTAL DEFERRED OUTFLOWS OF RESOURCES	31,637,463
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	48,349,990
LIABILITIES	
Payables	
Accounts payable	364,725
Accrued liabilities	15,338
Accrued interest payable	31,482
Other liabilities	54,869
Due to teachers' retirement system	778,379
Due to employees' retirement system	75,315
Compensated absences payable	166,577
Due to other governments	557,727
Unearned credits	
Collections in advance	33,649
Long-term liabilities	
Due and payable within one year	
Bonds payable (inclusive of unamortized premium)	427,892
Energy performance contract debt payable	59,663
Compensated absences payable	189,150
Due and payable after one year	
Bonds payable (inclusive of unamortized premium)	5,565,960
Energy performance contract debt payable	128,647
Compensated absences payable	903,027
Claims payable	64,409
Total other post-employment benefits obligation	73,949,655
Net pension liability - proportionate share - employees' retirement system	5,859
Net pension liability - proportionate share - teachers' retirement system	1,197,473
TOTAL LIABILITIES	84,569,796
DEFERRED INFLOWS OF RESOURCES	
Pensions	2,530,424
Other post-employment benefits obligation	1,310,466
TOTAL DEFERRED INFLOWS OF RESOURCES	3,840,890
NET POSITION	
Net investment in capital assets	2,898,799
Restricted	
Workers' compensation	267,571
Unemployment insurance	70,727
Retirement contribution - employees' retirement system	560,002
Retirement contribution - teachers' retirement system	340,102
Property loss	11,046
Insurance	21,974
Employee benefit accrued liability	725,793
Repairs	597,999
Capital	1,045,682
Scholarships and donations	162,198
	3,803,094
Unrestricted (deficit)	(46,762,589)
TOTAL NET POSITION (DEFICIT)	$(40,060,696)

See Accompanying Notes to Financial Statements

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

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
FUNCTIONS / PROGRAMS				
General support	($3,527,028)			($3,527,028)
Instruction	(23,350,918)	$1,255,991	$1,183,821	(20,911,106)
Pupil transportation	(530,070)			(530,070)
Debt service-interest	(158,667)			(158,667)
Food service program	(213,277)	2,438	196,673	(14,166)
TOTAL FUNCTIONS AND PROGRAMS	($27,779,960)	$1,258,429	$1,380,494	(25,141,037)
GENERAL REVENUES				
Real property taxes				15,774,000
Other tax items - including STAR reimbursement				14,051
Use of money and property				2,768
Miscellaneous				155,157
State sources				1,544,973
Medicaid reimbursement				30,048
TOTAL GENERAL REVENUES				17,520,997
CHANGE IN NET POSITION				(7,620,040)
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 19)				(32,440,656)
TOTAL NET POSITION (DEFICIT) - END OF YEAR				($40,060,696)

GREENPORT UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	$ 701,042	$ 35,331	$ 86,973	$ 75,655			$ 899,001
Restricted	3,500,940			162,198	$ 15,818		3,678,956
Receivables							
Accounts receivable			314				314
State and federal aid	171,195	920,039	48,486				1,139,720
Due from other governments	832,356						832,356
Taxes receivable	866,013						866,013
Due from other funds	1,469,883		23,687				1,493,570
Prepaid expenditures	304,502						304,502
TOTAL ASSETS	$ 7,845,931	$ 955,370	$ 159,460	$ 237,853	$ 15,818	$ -	$ 9,214,432
LIABILITIES							
Payables							
Accounts payable	$ 329,024	$ 7,945	$ 24,471		$ 3,285		$ 364,725
Accrued liabilities	15,338						15,338
Due to other governments	557,645		82				557,727
Due to other funds	572,024	921,171			375		1,493,570
Other liabilities	54,869						54,869
Due to teachers' retirement system	778,379						778,379
Due to employees' retirement system	75,315						75,315
Compensated absences payable	166,577						166,577
Unearned credits							
Collections in advance	5,000	26,254	2,395				33,649
TOTAL LIABILITIES	2,554,171	955,370	26,948	-	3,660	-	3,540,149
FUND BALANCES							
Nonspendable	304,502						304,502
Restricted							
Workers' compensation	267,571						267,571
Unemployment insurance	70,727						70,727
Retirement contribution - employees' retirement system	560,002						560,002
Retirement contribution - teachers' retirement system	340,102						340,102
Property loss	11,046						11,046
Insurance	21,974						21,974
Employee benefit accrued liability	725,793						725,793
Repairs	597,999						597,999
Capital	905,726				139,956		1,045,682
Unspent bond proceeds					6,552		6,552
Scholarships and donations				$ 162,198			162,198
Assigned							
Appropriated fund balance	440,000						440,000
Unappropriated fund balance	229,915		132,512	75,655			438,082
Unassigned	816,403				(134,350)		682,053
TOTAL FUND BALANCES	5,291,760	-	132,512	237,853	12,158	-	5,674,283
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 7,845,931	$ 955,370	$ 159,460	$ 237,853	$ 15,818	$ -	$ 9,214,432

See Accompanying Notes to Financials Statements

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

Total Governmental Fund Balances		$5,674,283
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.		
Original cost of capital assets	$21,468,782	
Accumulated depreciation	(12,477,117)	8,991,665
Deferred outflows of resources - deferred charges on refunding. The Statement of Net Position will amortize deferred charges on refunding over the life of the bond. Governmental funds record deferred charges on refunfing as an expenditure in the current year.		82,744
Deferred inflows of resources- The Statement of Net Position recognizes revenues and expenditures under the full accrual method. Governmental funds recognize revenues and expenditures under the modified accrual method. These amounts will be amortized in future years.		
Deferred inflows of resources related to pensions	($2,530,424)	
Deferred inflows of resources related to total other post-employment benefits	(1,310,466)	(3,840,890)
Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows related to pensions and other post-employment benefits obligation that will be recognized as expenditures in future periods amounted to:		
Deferred outflows of resources related to pensions	$5,480,456	
Deferred outflows of resources related to total other post-employment benefits	26,074,263	31,554,719
Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to long-term liabilities at year end consisted of accrued interest payable of		(31,482)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:		
Bonds payable (inclusive of unamortized premium)	$5,993,852	
Energy performance contract debt payable	188,310	
Claims payable	64,409	
Compensated absences payable	1,092,177	
Total other post-employment benefits obligation	73,949,655	
Net pension liability - proportionate share - employees' retirement system	5,859	
Net pension liability - proportionate share - teachers' retirement system	1,197,473	(82,491,735)
Total Net Position		($40,060,696)

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

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Governmental Funds
REVENUES							
Real property taxes	$ 15,774,000						$ 15,774,000
Other tax items - including STAR reimbursement	14,051						14,051
Charges for services	1,215,822			$ 40,169			1,255,991
Use of money and property	2,612		$ 19	137			2,768
Miscellaneous	140,212			14,224			154,436
Local sources		$ 459					459
State sources	1,580,579	44,220	4,616				1,629,415
Federal sources	149,256	1,005,710	180,231				1,335,197
Surplus food			11,826				11,826
Sales			2,438				2,438
TOTAL REVENUES	18,876,532	1,050,389	199,130	54,530	-	-	20,180,581
EXPENDITURES							
General support	2,330,851						2,330,851
Instruction	9,790,801	1,064,090		56,329			10,911,220
Pupil transportation	530,070						530,070
Employee benefits	5,136,309						5,136,309
Debt service - principal	481,757						481,757
Debt service - interest	199,696						199,696
Cost of sales			213,277				213,277
Capital outlay					$ 832,654		832,654
TOTAL EXPENDITURES	18,469,484	1,064,090	213,277	56,329	832,654	-	20,635,834
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	407,048	(13,701)	(14,147)	(1,799)	(832,654)	-	(455,253)
OTHER FINANCING SOURCES AND USES							
Operating transfers in		13,701					13,701
Operating transfers (out)	(13,701)						(13,701)
Premium on short-term obligations	14,945						14,945
Proceeds from serial bonds						$ 4,430,000	4,430,000
Bond Premium						647,929	647,929
Payment to refund bond escrow agent						(4,978,784)	(4,978,784)
Bond issuance costs						(99,145)	(99,145)
TOTAL OTHER FINANCING SOURCES AND (USES)	1,244	13,701	-	-	-	-	14,945
NET CHANGE IN FUND BALANCES	408,292	-	(14,147)	(1,799)	(832,654)	-	(440,308)
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 19)	4,883,468	-	146,659	239,652	844,812	-	6,114,591
FUND BALANCES - END OF YEAR	$ 5,291,760	$ -	$ 132,512	$ 237,853	$ 12,158	$ -	$ 5,674,283

See Accompanying Notes to Financials Statements

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

Net Change in Fund Balances		($440,308)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the fiscal year ended June 30, 2021 changed by		300,261
Claims payable in the Statement of Activities differs from the amounts reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, however, the payable is recognized as it accrues regardless of when it is due. Accrued claims payable from June 30, 2020 to June 30, 2021 changed by		(4,881)
Changes in the proportionate share of net pension asset/liability, and total other post-employment benefits obligation and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' retirement system	($858,200)	
Employees' retirement system	61,386	
Other post-employment benefits obligation	(7,272,006)	(8,068,820)
Deferred inflows of resources - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. The difference in state aid revenues recognized under the full accrual method for the fiscal year ended June 30, 2021 is		(35,606)
Capital Related Items		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.		
Capital asset additions	$940,733	
Depreciation expense	(735,060)	205,673
Long-Term Debt Transactions		
Repayment of bond principal is an expenditure in the governmental funds, but it reduced long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		425,000
Repayment of energy performance contract debt payable is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		56,757
Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as it accrues. Accrued interest from June 30, 2020 to June 30, 2021 changed by		2,992
Governmental funds may report premiums, discounts, and similar items on the refunded bonds as revenues or expenditures. These amounts are deferred and amortized in the Statement of Activities. Amortization for the fiscal year ended June 30, 2021 was		
Amortization on bond premium	$44,077	
Amortization on deferred charges on refunding	(6,040)	38,037
Bond issuance costs related to the refunding of debt are expensed in the current year. The amount of bond issuance costs related to the refunding of debt for fiscal year ended June 30, 2021 was		(99,145)
Change in Net Position		($7,620,040)

See Accompanying Notes to Financials Statements

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

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

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 5 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the District's reporting entity.

B) Joint venture:

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

BOCES is organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)).

In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

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

C) **Basis of presentation:**

District-Wide Financial Statements:

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

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

Fund financial statements:

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

The District reports the following major governmental funds:

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

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

School Lunch Fund: This fund is used to account for the activities of the District's food service operations. The school lunch operations are supported by federal and state grants and charges to participants for its services.

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

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

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

D) Measurement focus and basis of accounting:

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

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

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

E) Real property taxes:

Calendar

Real property taxes are levied annually by the Board of Education no later than October 1st, and become a lien on December 1st. The District's tax levy is collected by the town of Southold (the "Town") along with the respective Town and Suffolk County (the "County") levies. Tax collections are remitted to the District and Town comptrollers until their respective tax levies are satisfied in accordance with the Suffolk County Tax Act.

Enforcement

Uncollected real property taxes are subsequently enforced by Suffolk County (the "County"). The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following July 1.

F) Restricted resources:

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

G) Interfund transactions:

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

In the District-Wide Financial Statements, eliminations have been made for all interfund receivables and payables between the funds.

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

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

H) Estimates:

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

I) **Cash and cash equivalents:**

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

J) **Receivables:**

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

K) **Inventories and prepaid items:**

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's stated value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount. The District had no inventories as of June 30, 2021.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-Wide and fund financial statements. These items are reported as assets on the Statement of Net Position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. Prepaid items included $304,502 in the general fund for one month of health insurance premium payments paid in advance to East End Health Plan for 2021-2022.

L) **Capital assets:**

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

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Site improvements	$15,000	Straight-line	20 years
Buildings and improvements	$15,000	Straight-line	50 years
Furniture and equipment	$5,000	Straight-line	5-20 years
Vehicles	$5,000	Straight-line	5-20 years

M) Collections in advance:

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

Collections in advance as of June 30, 2021 consisted of unearned revenues for donations received in the general fund, unearned revenues from state and federal grants in the special aid fund and for amounts received in advance for meals that have not yet been purchased in the school lunch fund.

N) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. These amounts are related to deferred charges on bond refunding, pensions and other post-employment benefits, reported in the District-Wide Statement of Net Position, which are detailed further in Notes 12, 13 and 15, respectively.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. These amounts are related to pensions and other post-employment benefits reported in the District-Wide Statement of Net Position, and are detailed further in Notes 13 and 15, respectively.

O) Vested employee benefits:

Compensated absences:

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

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

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

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

In the fund financial statements, a liability is reported only for payments due for unused retirement incentives for those employees who have obligated themselves to separate from service with the District by June 30^{th}.

P) **Other benefits:**

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

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

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

Q) **Short-term debt:**

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

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

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

The District has issued and retired $3,500,000 in TANs in the fiscal year ended June 30, 2021. See Note 10 for further detail.

R) <u>Accrued liabilities and long-term obligations:</u>

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

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

S) <u>Equity classifications:</u>

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

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

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets, net of any unexpended proceeds and including any unamortized items (discounts, premiums, loss and gain on refunding).

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

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

Fund Financial Statements:

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

1) **Nonspendable fund balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. At June 30, 2021, the District has $304,502 in the general fund for prepaid workers' compensation expense.

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

The District has established the following as restricted:

Workers' Compensation Reserve

Workers' compensation reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the general fund.

Unemployment Insurance Reserve

Unemployment insurance reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund.

Retirement Contribution Reserve

Retirement Contribution Reserve (GML§6-r), must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State

Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers' Retirement System subfund is subject to contribution limits. This reserve is accounted for in the general fund.

Property Loss Reserve

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

Insurance Reserve

Insurance reserve (GML §6-n) is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law. The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settlement of compromised claims up to $25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the general fund.

Employee Benefit Accrued Liability Reserve

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

Repair Reserve

Repair reserve (GML§6-d) is used to pay the costs of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval may establish a repair reserve fund by a majority of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the general fund.

Capital Reserve

According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. Restricted for capital in the capital projects fund includes the fund balance for projects that are funded by the capital reserve.

Unspent Bond Proceeds

Unspent long-term bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Scholarships and Donations

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

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

Assigned fund balance – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District management through Board policies.

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

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balances of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4% limitation. The District's unassigned fund balance in the general fund at June 30, 2021 is within the legal limit.

The unassigned deficit fund balance in the capital projects fund of $134,350 will be eliminated once permanent financing is obtained.

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (i.e. expenditures related to reserves), the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or Board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the assigned fund balance to the extent that there is an assignment and then to the unassigned fund balance.

T) New accounting pronouncements:

GASB has issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), effective for the fiscal year ended June 30, 2021. It provides guidance for identifying fiduciary activities, primarily based on whether the government is controlling the assets, and the beneficiaries with whom the fiduciary relationship exists, and on how different fiduciary activities should be reported. The District has adopted and implemented GASB Statement No. 84, *Fiduciary Activities*, in 2021. See Note 19 for further consideration.

U) Future accounting pronouncements:

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

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

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

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

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

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

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

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

i) Long-term revenue and expense differences:

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

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted.

The voters of the District approved the proposed appropriation budget for the general fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the fiscal year are shown on Supplemental Schedule #5.

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

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

B) Encumbrances:

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

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

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

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

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

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

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

B) <u>Restricted Cash and Cash Equivalents:</u>

Restricted cash and cash equivalents represent cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2021 included $3,678,956 within the governmental funds for general reserves, scholarships and donations, and capital projects.

C) <u>Investments:</u>

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

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year, the District was billed $1,169,509 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $104,126. Financial statements for the Eastern Suffolk BOCES are available from the Eastern Suffolk BOCES administrative office at 201 Sunrise Highway, Patchogue, 11772.

NOTE 6 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2021 consisted of the following:

BOCES aid	$104,125
Tuition and shared services billings	728,231
Total due from other governments	$832,356

NOTE 7 – STATE AND FEDERAL AID RECEIVABLES:

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

General Fund	
Excess cost aid	$75,828
CARES Act	95,367
Total-General fund	171,195
Special Aid Fund	
Federal grants	847,610
State grants	72,429
Total-Special Aid Fund	920,039
School Lunch Fund	
Lunch - federal	31,248
Lunch - state	520
Breakfast - federal	16,001
Breakfast - state	717
Total-School Lunch Fund	48,486
Total-All Funds	$1,139,720

District management has deemed these amounts to be fully collectible.

GREENPORT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8 - CAPITAL ASSETS:

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

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$142,350			$142,350
Construction in progress	133,657	$832,654	($107,489)	858,822
Total capital assets not being depreciated	276,007	832,654	(107,489)	1,001,172
Capital assets being depreciated:				
Building & improvements	16,619,971		107,489	16,727,460
Vehicles, furniture and equipment	1,200,250	108,079		1,308,329
Site improvements	2,431,821			2,431,821
Total capital assets being depreciated	20,252,042	108,079	107,489	20,467,610
Less accumulated depreciation:				
Building & improvements	10,246,024	564,951		10,810,975
Vehicles, furniture and equipment	840,734	56,823		897,557
Site improvements	655,299	113,286		768,585
Total accumulated depreciation	11,742,057	735,060	-	12,477,117
Total capital assets being depreciated, net	8,509,985	(626,981)	107,489	7,990,493
Total capital assets, net	$8,785,992	$205,673	$ -	$8,991,665

Depreciation expense was charged to governmental functions as follows:

General support	$ 8,101
Instruction	726,959
Total expense	$ 735,060

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	$1,469,883	$572,024		$13,701
Special aid fund			$13,701	
School lunch fund	23,687	921,171		
Capital projects fund		375		
Totals	1,493,570	1,493,570	13,701	13,701

The District typically transfers from the general fund to the special aid fund to fund the District's local share of the summer program for students with disabilities.

NOTE 10 – SHORT-TERM DEBT:

On November 10, 2020, the District issued tax anticipation notes (TAN) in the total amount of $3,500,000. This debt was issued for interim financing of general fund operations. Transactions in short-term debt for the year are summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
TAN	06/25/21	1.25%	$ -	$ 3,500,000	$ 3,500,000	$ -
	Total		$ -	$ 3,500,000	$ 3,500,000	$ -

Interest on short-term debt for the year amounted to $27,344. In addition, a premium of $14,945 was recognized on the TAN, which resulted in an effective net interest rate of 0.5668%.

NOTE 11 – LONG-TERM LIABILITIES:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due within one year
Long-term debt:					
Bonds payable					
Construction serial bonds	$6,275,000	$4,430,000	($5,315,000)	$5,390,000	$375,000
Add: unamortized bond premium	-	647,929	(44,077)	603,852	52,892
Total Bonds payable	6,275,000	5,077,929	(5,359,077)	5,993,852	427,892
Other liabilities:					
Energy performance contract debt payable	245,067		(56,757)	188,310	59,663
Compensated absences payable	1,392,438	$182,069	(482,330)	1,092,177	189,150
Claims payable	59,528	18,155	(13,274)	64,409	
Total other post-employment benefits obligation	69,780,056	5,271,597	(1,101,998)	73,949,655	
Net pension liability - proportionate share - ERS	1,254,458		(1,248,599)	5,859	
Net pension liability - proportionate share - TRS	-	2,764,586	(1,567,113)	1,197,473	
Total long-term liabilities	$79,006,547	$13,314,336	(9,829,148)	$82,491,735	$676,705

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

A) Bonds Payable:

Bonds Payable is comprised of the following:

Description	Issue Date	Final Maturity	Average Interest Rate	Outstanding at June 30, 2021
Construction Serial Bond	11/19/2013	11/15/2033	2.50%	$1,305,000
Construction Serial Bond	9/10/2020	11/15/2032	3.30%	4,085,000
				$5,390,000

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	$375,000	$197,275	$572,275
2023	395,000	179,675	574,675
2024	410,000	161,250	571,250
2025	430,000	141,944	571,944
2026	450,000	121,619	571,619
2027-2031	2,535,000	305,300	2,840,300
2032-2034	795,000	26,350	821,350
Total	$5,390,000	$1,133,413	$6,523,413

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

On September 10, 2020, $4,430,000 in general obligation bonds with an interest rate of 3.298% were issued to advance refund $4,890,000 of 2011 outstanding bonds with an interest rate of 3.845%. The net proceeds of $5,077,929 (after premium received of $647,929 and payment of $99,145 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the 2011 bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The 2011 bonds were callable in November 2032. The District advance refunded the 2011 bonds to reduce its total debt service payments over the next 12 years by $776,402 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $750,969.

B) <u>Energy Performance Contract Debt Payable:</u>

Energy performance contract debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2021
Energy Performance Contract Debt Payable	11/13/2009	1/15/2024	5.12%	$188,310

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	$59,663	$9,641	$69,304
2023	62,718	6,587	69,305
2024	65,929	3,376	69,305
Total	$188,310	$19,604	$207,914

C) Long-Term Interest:

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

	Total
Interest paid	$172,352
Less interest accrued in the prior year	(34,474)
Plus interest accrued in the current year	31,482
Plus amortization of deferred charges on refunding	6,040
Less amortization of premium on obligations	(44,077)
Total expense	$131,323

D) Premiums on Bonds:

The bond premium on refundings pertaining to the 2021 bond refunding is recorded in the District-Wide Financial Statements, as a component of bonds payable. Amortization of premium on obligations recorded on the District-Wide Financial Statements amounted to $44,077 for the fiscal year ending June 30, 2021, and is recorded as a component of interest expense. Unamortized bond premium at June 30, 2021 amounted to $603,852.

	2021 Bond
Deferred premium	$647,929
Accumulated amortization	(44,077)
Balance of deferred premium	$603,852

NOTE 12 – DEFERRED OUTFLOWS OF RESOURCES - REFUNDINGS:

The deferred charges on refunding pertaining to 2021 bond refunding is recorded in the District-Wide Financial Statements as a deferred outflows of resources. Deferred charges on refunding at June 30, 2021 consisted of the following:

	2021 Bond
Deferred charges	\$88,784
Accumulated amortization	(6,040)
Balance of deferred charges	\$ 82,744

The deferred charges on the 2021 refunding are being amortized on the District-Wide Financial Statements using the straight-line method over 12 years, the time to maturity on the refunded bonds, at the point of refunding. Amortization of the deferred charges on refunding recorded on the District-Wide Financial Statements amounted to \$6,040 for the fiscal year ending June 30, 2021, and is recorded as a component of interest expense.

NOTE 13 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

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

ii) Employees' Retirement System

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

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

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

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31. The District's contribution rates for ERS' fiscal year ended March 31, 2021 of covered payroll (for applicable tiers) was 16.2% for Tiers 3 & 4, 13.5% for Tier 5, and 9.7% for Tier 6.

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

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

	NYSERS	NYSTRS
2021	$ 224,653	$ 708,536
2020	$ 188,727	$ 651,687
2019	$ 182,402	$ 762,029

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

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

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	$5,859	$1,197,473
District's portion of the Plan's total net pension liability	0.0058842%	0.043335%
Change in proportion since the prior measurement date	0.0011469%	0.0003470%

For the fiscal year ended June 30, 2021, the District recognized pension expense of $163,264 for ERS, and $1,567,113 for TRS. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 71,556	$ 1,049,226	$ -	$ 61,368
Net difference between projected and actual earnings on pension plan investments	-	782,055	1,683,088	-
Changes of assumptions	1,077,305	1,514,526	20,318	539,849
Changes in proportion and differences between the District's contributions and proportionate share of contributions	135,358	66,579	31,330	194,471
District's contributions subsequent to the measurement date	75,315	708,536		
	$ 1,359,534	$ 4,120,922	$ 1,734,736	$ 795,688

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

	ERS	TRS
Plan Year ended:		
2021		$ 421,374
2022	$ (71,181)	896,561
2023	(9,154)	738,479
2024	(65,155)	483,913
2025	(305,027)	23,519
Thereafter		52,852
	$ (450,517)	$ 2,616,698

Actuarial Assumptions

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

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

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on the 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.

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

	ERS		TRS	
Measurement Date	March 31, 2021		June 30, 2020	
Asset type	Target Allocation	Long-term expected real rate of return	Target Allocation	Long-term expected real rate of return
Domestic equity	32%	4.05%	33%	7.10%
International equity	15%	6.30%	16%	7.70%
Global equity			4%	7.40%
Private equity	10%	6.75%	8%	10.40%
Real estate	9%	4.95%	11%	6.80%
Opportunistic/Absolute return strategy	3%	4.50%		
Credit	4%	3.63%		
Real assets	3%	5.95%		
Fixed income	23%	0.00%		
Cash	1%	0.50%		
Domestic fixed income securities			16%	1.80%
Global bonds			2%	1.00%
High-yield bonds			1%	3.90%
Private debt			1%	5.20%
Real estate debt			7%	3.60%
Cash equivalents			1%	0.70%
	100%		100%	

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

Discount Rate

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

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

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

ERS	1% Decrease (5.80%)	Current Assumption (5.90%)	1% Increase (6.90%)
District's proportionate share of the net pension asset (liability)	($1,626,268)	($5,859)	$1,488,537

TRS	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension asset (liability)	($7,564,027)	($1,197,473)	$4,145,678

Pension Plan Fiduciary Net Position

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

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

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to $75,315.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to $778,379.

NOTE 14 – OTHER RETIREMENT PLANS:

A) Tax Sheltered Annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2021, totaled $482,330 and $307,022 respectively.

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

A) General Information about the OPEB Plan:

Plan Description

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

Benefits Provided

The Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute 75%-100% of premiums for retirees, 50%-100% of premiums for family coverage, and 0% of the premiums for surviving spouses, depending on the coverage selected and date of retirement. The District recognizes the cost of the Plan annually as expenditures in the fund financial statements as payments are accrued. For fiscal year 2021, the District contributed an estimated $1,101,998 to the Plan, including $1,101,998 for current premiums and $0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the "pay as you go" method.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	78
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	111
	189

B) Total OPEB Liability:

The District's total OPEB liability of $73,949,655 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases, including wage inflation	Varied by years of service and retirement system
Discount rate	2.16%
Health Care Cost Trends:	
Pre-Medicare	4.70% in 2020, followed by 4.90% for 2021 decreasing to an ultimate rate of 4.04% by 2075
Medicare	6.02% in 2020, followed by projected Part B premium increase, and ultimately decreasing to an ultimate rate of 4.04% by 2075

The discount rate was based on 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate was changed from 2.21% at June 30, 2020 to 2.16% at June 30, 2021.

Mortality rates were based on Pub-2010 Teachers, General Employees, and Retirees Headcount-Weighted table projected fully generationally using MP-2019.

C) Changes in the Total OPEB Liability:

Balance at June 30, 2020	$ 69,780,056
Changes for the fiscal year:	
Service cost	3,251,812
Interest	1,601,894
Changes of benefit terms	-
Differences between expected and actual experience	(274,115)
Changes in assumptions or other inputs	692,006
Benefit payments	(1,101,998)
Net changes	4,169,599
Balance at June 30, 2021	$ 73,949,655

There were no other changes in actuarial methods and assumptions since the last valuation.

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

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

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	$89,848,249	$73,949,655	$61,637,694

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.70%) or 1-percentage-point higher (5.70%) than the current healthcare cost trend rates:

	1% Decrease (3.90% decreasing to 3.04%)	Healthcare Cost Trend Rates (4.90% decreasing to 4.04%)	1% Increase (5.90% decreasing to 5.04%)
Total OPEB liability	$59,687,520	$73,949,655	$93,198,343

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

For the fiscal year ended June 30, 2021, the District recognized OPEB expense (credit) of $8,374,004. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,028,044	$ 234,956
Changes of assumptions or other inputs	20,046,219	1,075,510
	$ 26,074,263	$ 1,310,466

Benefit payments made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year ended June 30:	
2022	$ 3,520,298
2023	3,520,298
2024	3,520,298
2025	3,520,298
2026	3,520,298
Thereafter	7,162,307
	$ 24,763,797

NOTE 16 – RISK MANAGEMENT:

A) General:

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

B) Risk Retention:

The District participates in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool for its District property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events and the District has essentially transferred all related risk to the pool.

In addition, the District participates in a risk pool, the East End Workers' Compensation Consortium (EEWCC), to insure workers' compensation claims. This public entity risk pool was created under Article 5 of Workers' Compensation Law, to evaluate, process, administer, and pay workers' compensation claims. The District retains the risk of loss.

The District pays an annual assessment to the pool for its workers' compensation claims coverage and related expenses. The EEWCC has obtained an excess compensation insurance policy to buffer the effect that a single large claim may have on the District's loss experience. The EEWCC established a non-discounted liability for both reported and unreported insured events, which includes estimates of both future payments or losses and related claim adjustment expenses. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. However, because actual claim costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expense) that have been reported but not settled, and claims that have been incurred but not reported.

The District's liability for incurred but unpaid claims and incurred but not reported claims at June 30, 2021, as processed by the EEWCC, is $64,409 Claims activity is summarized as follows:

	2021	2020
Unpaid claims at beginning of year	$59,528	$66,938
Incurred claims and claim adjustment expenses	18,155	4,811
Claims payments	(13,274)	(12,221)
Unpaid claims at year end	$64,409	$59,528

The District has reserved $267,571 in the general fund for potential supplemental assessments due to catastrophic losses and future claims.

The EEWCC has issued financial statements for the year ended June 30, 2021. Copies of these statements can be obtained from the District's administrative office.

NOTE 17 - TAX ABATEMENTS:

The Suffolk County Industrial Development Agency, established by Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 911-A, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the County. The District's property tax revenue was reduced by $21,089 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling $13,707 for these programs during the fiscal year ending June 30, 2021.

NOTE 18 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

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

Assigned: Unappropriated Fund Balance	
General Fund	
General support	$150,117
Instruction	79,798
	$229,915

B) Grants:

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

C) Litigation:

As of June 30, 2021, we are unaware of any pending or threatened litigation or unasserted claims or assessments against the District which require disclosure.

D) Operating Leases:

The District leases various equipment under non-cancelable leases. Rental expense for the fiscal year was approximately $53,820. The minimum remaining lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2022	$ 46,537
2023	36,989
2024	17,893
Total Lease Payments	$ 101,419

NOTE 19 – RESTATEMENT OF FUND BALANCES

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

	General Fund	Miscellaneous Special Revenue Fund	Statement of Net Position
Fund Balance/Net Position (Deficit)			
Beginning of Year, as Reported	$ 4,883,468	$ -	$ (32,680,308)
Assets			
Cash	382,274	77,431	459,705
Cash - restricted		162,221	162,221
Due from fiduciary funds	(291,143)		(291,143)
Total Assets	91,131	239,652	330,783
Liabilities			
Other liabiltiies	91,131		91,131
Total Liabilities	91,131		91,131
Fund Balance/Net Position (Deficit)			
Restricted for scholarships and donations		162,221	162,221
Assigned unappropriated fund balance		77,431	77,431
Total Fund Balance	-	239,652	239,652
Net increase (decrease) in Fund Balance/Net Position	-	239,652	239,652
Fund Balance/Net Position (Deficit)			
Beginning of Year, as Restated	$ 4,883,468	$ 239,652	$ (32,440,656)

NOTE 20 – SUBSEQUENT EVENTS:

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

A) The District applied for additional funding under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) in the amount of $332,343 for the Elementary and Secondary School Emergency Relief Program (ESSER), which was approved in August of 2021.

B) On July 8, 2021 the District issued Bond Anticipation Notes (BAN) in the amount of $5,000,000, which bear an interest rate of 2.00% and mature on July 28, 2022.

SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	$ 15,774,000	$ 15,774,000	$ 15,774,000	$ -
Other real property tax items	12,432	12,432	14,051	1,619
Charges for services	1,735,523	1,735,523	1,215,822	(519,701)
Use of money & property	2,500	2,500	2,612	112
Miscellaneous	42,000	42,000	140,212	98,212
State Sources				
Basic formula	1,041,589	1,041,589	850,107	(191,482)
Excess cost aid	433,486	433,486	489,187	55,701
Lottery aid	52,361	52,361	51,214	(1,147)
BOCES aid	82,578	82,578	104,126	21,548
Textbook aid	47,431	47,431	36,174	(11,257)
Computer software/hardware aid			9,932	9,932
Library A/V loan program aid			4,143	4,143
Other state aid			35,696	35,696
Federal Sources	10,000	10,000	149,256	139,256
Other Financing Sources				
Premium on short-term obligations	-	-	14,945	14,945
TOTAL REVENUES AND OTHER FINANCING SOURCES	19,233,900	19,233,900	18,891,477	$ (342,423)
Appropriated Fund Balance	456,600	596,600		
Appropriated Reserves	536,462	1,320,104		
TOTAL REVENUES, OTHER FINANCING SOURCES & APPROPRIATED FUND BALANCE & RESERVES	$ 20,226,962	$ 21,150,604		

Note to Required Supplementary Information

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 55,450	$ 68,288	$ 64,381	$ -	$ 3,907
Central administration	282,216	294,351	286,578	786	6,987
Finance	398,508	400,665	382,853	893	16,919
Staff	42,050	69,494	53,592	-	15,902
Central services	1,399,646	1,809,620	1,379,723	148,438	281,459
Special items	166,875	167,357	163,724	-	3,633
Total General Support	2,344,745	2,809,775	2,330,851	150,117	328,807
Instructional					
Instruction, administration & improvement	535,221	512,856	467,214	-	45,642
Teaching - regular school	5,264,518	5,610,401	5,022,832	36,686	550,883
Programs for children with handicap conditions	3,046,737	2,995,636	2,770,068	42,422	183,146
Occupational education	113,000	113,355	113,355	-	-
Teaching special schools	2,200	67,930	28,819	-	39,111
Instructional media	457,474	544,800	494,005	690	50,105
Pupil services	1,168,458	1,176,418	894,508	-	281,910
Total Instructional	10,587,608	11,021,396	9,790,801	79,798	1,150,797
Pupil transportation	684,421	696,209	530,070	-	166,139
Employee benefits	5,789,319	5,818,375	5,136,309	-	682,066
Debt service - principal	471,758	486,758	481,757	-	5,001
Debt service - interest	313,111	282,091	199,696	-	82,395
Total Debt service	784,869	768,849	681,453	-	87,396
TOTAL EXPENDITURES	20,190,962	21,114,604	18,469,484	229,915	2,415,205
Other Financing Uses					
Transfers to other funds	36,000	36,000	13,701	-	22,299
TOTAL EXPENDITURES AND OTHER USES	$ 20,226,962	$ 21,150,604	18,483,185	$ 229,915	$ 2,437,504
Net change in fund balances			408,292		
Fund balances - beginning of year			4,883,468		
Fund balances - end of year			$ 5,291,760		

Note to Required Supplementary Information

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

GREENPORT UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021

TOTAL OPEB LIABILITY	2021	2020	2019	2018
Service cost	$ 3,251,812	$ 1,435,097	$ 1,236,284	$ 1,302,275
Interest	1,601,894	1,365,543	1,346,078	1,233,362
Changes of benefit terms	-	(525,755)	-	-
Differences between expected and actual experience	(274,115)	7,750,342	-	-
Changes of assumptions or other inputs	692,006	22,856,789	2,386,481	(1,784,166)
Benefit payments	(1,101,998)	(1,132,653)	(959,373)	(1,181,687)
NET CHANGE IN TOTAL OPEB LIABILITY	4,169,599	31,749,363	4,009,470	(430,216)
TOTAL OPEB LIABILITY - BEGINNING	69,780,056	38,030,693	34,021,223	34,451,439
TOTAL OPEB LIABILITY - ENDING	$ 73,949,655	$ 69,780,056	$ 38,030,693	$ 34,021,223
COVERED-EMPLOYEE PAYROLL	$ 8,421,254	$ 8,907,044	$ 8,207,528	$ 7,296,033
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLLL	878.13%	783.43%	463.36%	466.30%

NOTES TO SCHEDULE:

Trust Assets

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

Changes of Assumptions

The discount rate was 2.16% as of June 30, 2021.
The discount rate was 2.21% as of June 30, 2020.
The discount rate was 3.51% as of June 30, 2019.
The discount rate was 3.87% as of June 30, 2018.

For 2021:

Discount rate has been updated based on the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2021.

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

NYSERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension (liability)/asset	0.0058842%	0.0047373%	0.0041767%	0.0044553%	0.0041941%	0.0044432%	0.0038966%	0.0038966%
District's proportionate share of the net pension (liability)/asset	$ (5,859)	$ (1,254,458)	$ (295,931)	$ (143,791)	$ (394,090)	$ (713,144)	$ (131,635)	$ (176,080)
District's covered payroll	$ 1,650,105	$ 1,720,845	$ 1,575,361	$ 1,465,646	$ 1,255,198	$ 1,222,638	$ 1,328,053	$ 1,169,579
District's proportionate share of the net pension (liability)/asset as a percentage of its covered payroll	0.36%	72.90%	18.78%	9.81%	31.40%	58.33%	9.91%	15.05%
Plan fiduciary net position as a percentage of the total pension (liability)/asset	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%	97.20%

NYSTRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset/(liability)	0.043335%	0.042988%	0.043470%	0.044063%	0.039392%	0.037843%	0.039226%	0.039041%
District's proportionate share of the net pension asset/(liability)	$ (1,197,473)	$ 1,116,834	$ 786,051	$ 334,920	$ (421,910)	$ 3,930,668	$ 4,369,554	$ 256,987
District's covered payroll	$ 7,489,410	$ 7,356,482	$ 7,292,837	$ 7,068,579	$ 6,295,868	$ 6,028,858	$ 5,963,419	$ 5,890,742
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	15.99%	15.18%	10.78%	4.74%	6.70%	65.20%	73.27%	4.36%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

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

GREENPORT UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30, 2021

NYSERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 224,653	$ 188,727	$ 182,402	$ 175,655	$ 168,317	$ 200,754	$ 171,850	$ 219,809	$ 220,240	$ 188,126
Contributions in relation to the contractually required contribution	224,653	188,727	182,402	175,655	168,317	200,754	171,850	219,809	220,240	188,126
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,736,185	$ 1,691,370	$ 1,578,500	$ 1,360,075	$ 1,256,782	$ 1,238,245	$ 1,321,790	$ 1,217,309	$ 1,144,505	$ 1,256,207
Contributions as a percentage of covered payroll	12.94%	11.16%	11.56%	12.92%	13.39%	16.21%	13.00%	18.06%	19.24%	14.98%

NYSTRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 708,536	$ 651,687	$ 762,029	$ 692,070	$ 818,347	$ 806,029	$ 996,432	$ 951,577	$ 677,085	$ 634,412
Contributions in relation to the contractually required contribution	708,536	651,687	762,029	692,070	818,347	806,029	996,432	951,577	677,085	634,412
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,633,280	$ 7,489,410	$ 7,356,482	$ 7,292,837	$ 7,068,579	$ 6,295,868	$ 6,028,858	$ 5,963,419	$ 5,890,742	$ 5,891,528
Contributions as a percentage of covered payroll	9.28%	8.70%	10.36%	9.49%	11.58%	12.80%	16.53%	15.96%	11.49%	10.77%

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

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

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		$20,100,000
Add: Prior year's encumbrances		126,962
Original Budget		20,226,962
Budget revisions:		
Use of repair reserve	$230,141	
Use of workers' compensation reserve	10,000	
Use of unemployment reserve	25,000	
Appropriated fund balance - COVID	140,000	
Use of employee benefit accrued liability reserve	518,501	923,642
Final Budget		$21,150,604

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 voter approved expenditure budget		$20,452,000
Maximum allowed (4% of 2021-2022 budget)		$818,080
General fund fund balance subject to Section 1318 of Real Property Tax Law		
Assigned fund balance	669,915	
Unassigned fund balance	816,403	
Total unrestricted fund balance		$1,486,318
Less:		
Appropriated fund balance	440,000	
Encumbrances included in assigned fund balance	229,915	
Total adjustments		669,915
General fund fund balance subject to Section 1318 of Real Property Tax Law		$816,403
Actual percentage		3.99%

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

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

				Expenditures				Methods of Financing				
Project Title	SED Project #	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2021
Capital 2019 Phase B	01-016	$ 17,019,000	$ 13,716,000	$ 98,194	$ 761,850	$ 860,044	$ 12,855,956			$ 1,000,000	$ 1,000,000	$ 139,956
Capital 2019, project A - Masonry	01-017		1,768,000			-	1,768,000				-	-
Capital 2019, project C - Security	01-018	1,168,000	1,168,000			-	1,168,000				-	-
Capital 2019, project D - Community upgrades			100,000			-	100,000				-	-
Capital 2019, project E - ceiling			1,435,000			-	1,435,000				-	-
Project D Bathroom	01-015	152,496	152,496	145,944		145,944	6,552	152,496			152,496	6,552
Smart Bond		140,858	140,858	63,546	70,804	134,350	6,508				-	(134,350) *
		$ 18,480,354	$ 18,480,354	$ 307,684	$ 832,654	$ 1,140,338	$ 17,340,016	$ 152,496	$ -	$ 1,000,000	$ 1,152,496	$ 12,158

* The deficit will be eliminated when the District receives permanent financing.

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

Capital assets, net		$8,991,665
Add:		
Deferred charges on refunding		82,744
Deduct:		
Short-term portion of bonds payable	$427,892	
Long-term portion of bonds payable	5,565,960	
Less: unspent bond proceeds	(6,552)	5,987,300
Short-term portion energy performance contract debt payable	59,663	
Long-term portion of energy performance contract debt payable	128,647	188,310
Net investment in capital assets		$2,898,799

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

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

Robert S. Abrams
(1926–2014)

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

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

To the Board of Education
Greenport Union Free School District

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 and each major fund of Greenport Union Free School District (the "District"), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2021.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 14, 2021

APPENDIX D

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

FORM OF OPINION OF BOND COUNSEL

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

November , 2022

The Board of Education of
Greenport Union Free School District,
in the County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to Greenport Union Free School District (the "School District"), in the County of Suffolk, a school district of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the $3,500,000 Tax Anticipation Notes for 2022-2023 Taxes (the "Note"), dated and delivered the date hereof.

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

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

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon subject to certain statutory limitations. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

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

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

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

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

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

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

Very truly yours,

APPENDIX E

FORM OF EVENTS NOTICE UNDERTAKING

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

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

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

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

"Issuer" shall mean the Greenport Union Free School District, in the County of Suffolk, a school district of the State of New York.

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

"Purchaser" shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of November 3, 2022.

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

"Securities" shall mean the Issuer's $3,500,000 Tax Anticipation Notes for 2022-2023 Taxes, dated November 3, 2022, maturing on April 3, 2023, and delivered on the date hereof.

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

(1) principal and interest payment delinquencies;

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

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

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

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

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

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

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

(9) defeasances;

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

(11) rating changes;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **November 3, 2022.**

GREENPORT UNION FREE SCHOOL DISTRICT

By____

President of the Board of Education