

**Croton-Harmon Union Free
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2024

Croton-Harmon Union Free School District, New York

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Independent Auditors' Report

**The Board of Education of the
Croton-Harmon Union Free School District, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Croton-Harmon Union Free School District, New York ("School District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2024 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* for the year ended June 30, 2024, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2024 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of Federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2024.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the basic financial statements of the School District as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated October 3, 2023 which contained unmodified on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2023 financial statements. The information was subjected to the audit procedures applied in the audit of the 2023 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2023.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2024, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 10, 2024

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis (MD&A)
June 30, 2024

Introduction

Our discussion and analysis of the Croton-Harmon Union Free School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2024. To enhance your understanding of the School District's financial performance, it should be read in conjunction with the basic financial statements that immediately follow this section.

Financial Highlights

Key financial highlights for fiscal year 2023-2024 are as follows:

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget. At the end of the current fiscal year, this amount for the General Fund was \$2,351,931 or 4.00%. This is within the 4% statutory limit. It is anticipated that this balance will be at or under 4% by June 30, 2024.
- At the close of the current fiscal year, the School District's governmental funds financial statement shows a combined ending fund balance of \$23,109,582 an increase of \$19,103 from the prior year. The net increase represented a decrease in the Capital Projects fund balance of \$2,949,746 as a result in capital outlay expenditures and an increase totaling \$2,737,343 in the fund balance of the General Fund mainly due to an increase in interest rates and an increase in miscellaneous revenue for e-rate.
- During the current fiscal year, the School District retired \$2,255,000 of serial bonds issued in previous years for various capital projects. The School District also retired \$519,388 of energy performance contract debt.
- On the district-wide financial statements, the assets and deferred outflows of resources of the School District exceeded the liabilities and deferred inflows of resources at the close of its most recent fiscal year by \$30,595,375. The increase is largely related to non-operational accounting requirements including the capital assets.
- For the year ended June 30, 2024, the School District's OPEB liability of \$60,648,194 is reflected on the district-wide Statement of Net Position and impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", is presented in Note 3E in the notes to the financial statements.
- The district-wide financial statements for the year ended June 30, 2024 are also significantly impacted by the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*." This pronouncement established accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Under this standard, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At June 30, 2024, the School District reported

in its Statement of Net Position a liability for its proportionate share of the ERS net pension liability of \$2,654,584 and \$1,222,538 for its proportionate share of the TRS net pension liability. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3E in the notes to financial statements.

- The School District reviewed the provisions of GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" (SBITA's) and its impact on the School District's financial statements for the fiscal year ended June 30, 2024. Upon review of the School District's SBITA's, we have determined that none meet the criteria for accounting in accordance with the requirements of GASB Statement No. 96.

Overview of the Financial Statements

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

District-Wide Financial Statements

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

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

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The School District maintains six individual governmental funds, General Fund, Special Aid Fund, Capital Projects Fund, School Lunch Fund, Miscellaneous Special Revenue Fund and Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid and the Capital Projects funds, which are considered to be major funds. Data for the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

Notes to Financial Statements

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

Other Information

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

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Croton-Harmon Union Free School District, New York at the close of the current fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$30,595,375.

	June 30,	
	2024	2023
Current Assets	\$ 56,098,561	\$ 27,322,960
Capital Assets, net	71,774,510	68,528,988
Total Assets	127,873,071	95,851,948
Deferred Outflows of Resources	18,519,536	18,121,516
Current Liabilities	33,060,120	4,294,785
Long-term Liabilities	77,875,688	75,046,341
Total Liabilities	110,935,808	79,341,126
Deferred Inflows of Resources	4,861,424	4,803,119
Net Position		
Net Investment in Capital Assets	55,279,016	52,145,362
Restricted		
Capital Projects	819,244	2,278,333
Capital improvements	9,837,037	9,779,325
Debt Service	426,054	248,589
Repairs	250,750	103,642
Tax Certiorari	2,617,021	2,484,154
Workers' Compensation Benefits	387,445	557,537
Employee benefit	45,128	508,091
ERS Retirement contribution	1,981,237	1,900,733
TRS retirement contribution	1,861,339	1,575,600
Unemployment insurance	215,472	204,502
Insurance	981,498	953,479
Special revenues	203,210	186,104
Unrestricted	(44,309,076)	(43,096,232)
Total Net Position	\$ 30,595,375	\$ 29,829,219

Total assets increased by \$32,021,123. This increase is mainly attributable to the increase in cash and equivalents due to the recently issued bond anticipation note in the Capital Projects Fund.

Total liabilities, which consist primarily of general obligation bonds, energy performance contract debt, and lease liability increased by \$31,594,682 from the previous year. This increase is mainly attributable to the increase in the bond anticipation notes payable in the Capital Projects Fund.

A large component of the School District's net position (\$55,279,016) reflects its investment in capital assets, less any related debt that is still outstanding that was used to acquire those assets. The School District uses these capital assets to provide services to students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions listed above constitute \$19,225,435 of net position and are amounts restricted for specific purposes, i.e., payments of tax certiorari claims, capital projects, debt service, retirement contributions, etc. There is a negative balance of unrestricted net position of \$43,909,076 primarily a result of the recognition of the OPEB liabilities. Overall, net position increased by \$766,156 mostly as a result of an increase in capital assets due to construction and an increase in reserves as a result of operations.

Changes in Net Position

	June 30,	
	2024	2023
REVENUES		
Program Revenues		
Charges for Services	\$ 820,161	\$ 645,058
Operating Grants and Contributions	1,776,990	1,709,936
Capital Grants and Contributions	184,381	3,785
	2,781,532	2,358,779
General Revenues		
Real Property Taxes	41,294,730	39,894,078
Other Tax Items	2,041,451	2,326,628
Non-Property Taxes	1,024,438	981,482
Unrestricted Use of Money and Property	1,267,926	839,053
Sale of Property and Compensation for Loss	88,468	17,454
State aid	9,890,407	7,388,075
Miscellaneous	409,499	240,284
	56,016,919	51,687,054
Total Revenues	58,798,451	54,045,833
 PROGRAM EXPENSES		
General Support	9,077,114	8,959,395
Instruction	43,299,497	42,626,934
Pupil Transportation	3,980,320	1,366,045
Cost of Food Sales	935,740	793,415
Other	165,949	83,866
Interest	573,675	472,887
	58,032,295	54,302,542
Total Expenses	58,032,295	54,302,542
Change in Net Position	766,156	(256,709)
 NET POSITION		
Beginning	29,829,219	30,085,928
Ending	\$ 30,595,375	\$ 29,829,219

The following are the major changes in Net Position:

Revenues:

- Real property taxes increased by \$1,400,652 or 3.51%. The current property tax increase is attributed to projected increased expenses related to instruction and debt service. It is also a result of the continuing decrease in STAR (see below). The School District relies upon real property taxes as its primary source of revenue.
- Other tax items include revenues received for the School Tax Relief Reimbursement Program (“STAR”). The STAR Program provides tax relief to homeowners by decreasing the assessments taxable to the homeowner or by providing a refund of a portion of school taxes paid. As a result of changes to the

NYS law, this revenue decreased by \$285,177 or 13.97% during the 2023-2024 fiscal year shifting this burden from the state to the taxpayers since 2015-2016 fiscal year.

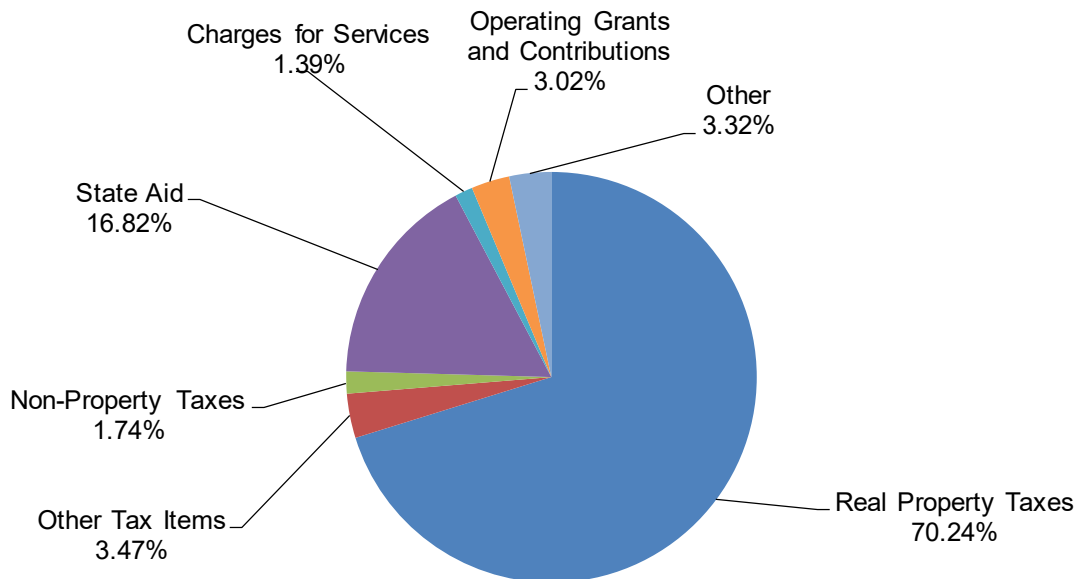
- The receipt of sales tax revenue increased by \$42,956 or 4.38% due to an increase in internet collections and increased sales activity.
- Unrestricted use of money and property increased by \$428,873 due to significantly higher interest rates due to actions by the Federal Reserve to curb inflation.
- Unrestricted State aid increased by \$2,502,332 or 33.87%, as a result of increases in basic aid for foundation aid which made us whole per NYS formula for the first year since inception.

Expenses:

- Instructional program expenses increased by \$672,563 or 1.58% from the prior year. This is primarily the result of the increase in the TRS net pension liability, ERS net pension liability and increase in employee benefits.
- Cost of Food Sales expenses increased by \$142,325 or 17.94% because of greater breakfast and lunch participation.

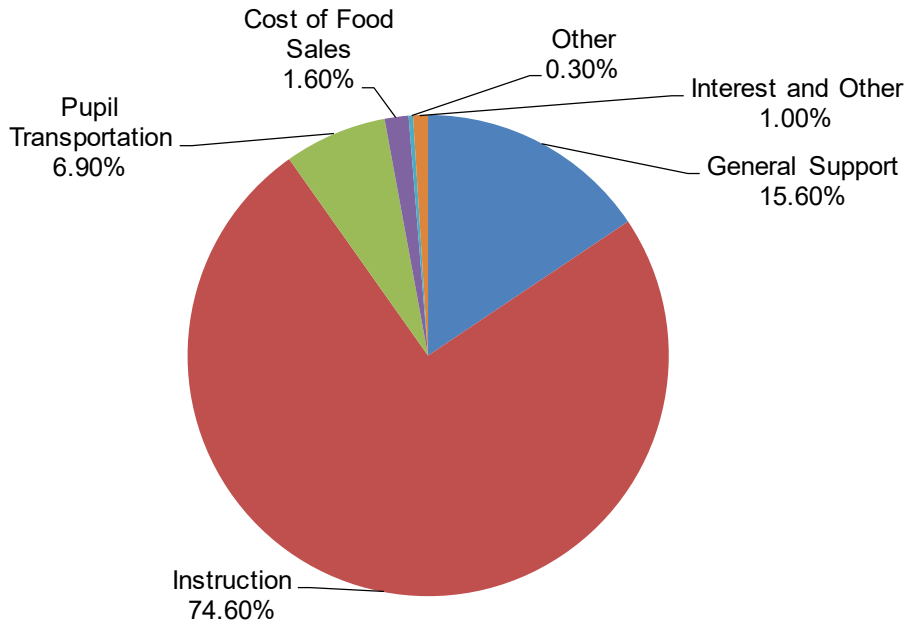
The following graphs depict where the School District revenues were derived and how monies were spent.

Sources of Revenue for Fiscal Year 2024 Governmental Activities



- Real property taxes account for 70.24% of the School District's revenue. The enactment of the property tax levy limit legislation, more commonly referred to as the "tax cap", limits the School District's ability to generate additional revenues from its main revenue source.
- State Aid accounts for the next largest revenue component, accounting for 16.82% of the School District's revenue. As part of the State's 2021-22 budget, it committed a three year phase-in of Foundation Aid which it concluded in the 2023-24 fiscal year.

Expenses for Fiscal Year 2024 Governmental Activities



- The School District's instruction costs account for 74.6% of its expenditures. General support costs and transportation costs comprise the next two largest expenditures at 15.6% and 6.9%, respectively.

Financial Analysis of the School District's Funds

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

Governmental Funds

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

- As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$23,109,582 an increase of \$19,103 from the prior year. The majority of the net increase represented a decrease in the Capital Projects fund balance of \$2,949,746 as a result in capital outlay expenditures and an increase totaling \$2,737,343 in the fund balance of the General Fund mainly due to an increase in interest rates and increase in miscellaneous revenue for e-rate. The total governmental fund balance of \$23,109,582 consists of the following:

Nonspendable:		
	Inventories	\$ 7,524
Total Nonspendable		<u>7,524</u>
Restricted:		
	Workers' Compensation	387,445
	Workers' Compensation - for subsequent year's expenditures	200,000
	Unemployment Benefits	215,472
	Tax Certiorari	2,617,021
	ERS Retirement Contributions	1,581,237
	ERS for subsequent year's expenditures	400,000
	TRS Retirement Contributions	1,861,339
	TRS for subsequent year's expenditures	200,000
	Employee benefit accrued liability	518,221
	Repair	250,750
	Insurance losses	981,498
	Capital Projects	9,837,037
	Debt Service	426,054
	Special revenues - extraclassroom activities	140,634
	Special revenues - other	<u>62,576</u>
Total Restricted		<u>19,679,284</u>
Assigned:		
	Purchases On Order:	
	General Government Support	810,544
	Instruction	82,978
	Transportation	<u>8,750</u>
		902,272
General Fund		2,917,126
School Lunch Fund		<u>50,416</u>
Total Assigned		<u>3,869,814</u>
Unassigned		<u>(447,040)</u>
Total Fund Balances		<u>\$ 23,109,582</u>

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$25,221,349. This represents an increase of \$2,737,343 from the prior year. This is a result of interest revenue and sales tax revenue higher than budgeted as well as special education, transportation and benefits expenditures lower than budgeted. The surplus was allocated to various restricted components of fund balance, where appropriate, and the balance is in the unassigned fund balance. The amount of the unassigned fund balance is \$2,351,931 or 4.0% of the ensuing year's budget, which is allowed by NYS Law.

More detailed information about the School District's governmental fund balances is presented in Note 3H in the notes to financial statements.

General Fund Budgetary Highlights – 2023-2024

The original, voter approved adopted budget of \$56,174,983 was increased by \$629,180 as a result of the rollover of prior year encumbrances for a total original budget of \$56,804,163. The budget was further revised and increased during the 2023-2024 fiscal year by a total of \$2,072,879. Of this amount, as approved by voters on May 21, 2024, \$320,000 was appropriated from the General Fund to fund the purchase of vehicles, \$1,409,048 was related to District Wide drainage and 2022 Capital Building Improvements and \$108,225 for emergency repairs. As a result, the final budget totaled \$58,877,042.

Revenue Highlights include:

- Increase in interest revenue as a result of increased interest rates
- Increase in sales tax revenue due to an increase in internet collections and the fiscal recovery post pandemic
- Increase in taxes due to increased tax levy and decrease in STAR
- Decrease in STAR reimbursement revenue due to changes in NYS Law

Expenditure Highlights include:

- Increase in health insurance a result of a higher premium projections
- Increase in transfer to Capital Projects Fund being funded by Capital Reserves to pay for Capital Fund activity during 2023-2024 school year
- Increase in the rate for our Teacher Retirement System benefit payments

The net increase in fund balance in the General Fund was \$2,737,343 resulting in an ending balance of \$25,221,349.

For the Future

The Croton-Harmon Union Free School District is financially stable and strong. However, two inter-related challenges will require some discussion: Enrollment and Budget.

Enrollment:

As the chart below shows, from 2015-2016 to 2024-2025, there have been gradual decreases in the district's enrollment. While the decreases have been small on an annual basis, staffing has held somewhat steady due to increasing mandates and student needs in the areas of social, emotional, and academic support services.

Conversely, in addition to our rising number of low-income students and English Language Learners, enrollment for the 2024-2025 school year is expected to decrease slightly. According to the district's long-range demographic study conducted in 2021, which incorporated new housing projections, the district's enrollment was expected to increase by an additional 26 students. However, based on current enrollment, we are anticipating an additional 40 students, and the projected completion of the housing developments has not yet occurred.

Increasing student enrollment poses significant challenges for the district, particularly under the constraints of the NYS 2% Tax Cap, limiting how much a school district can increase its property tax levy each year. As enrollment increases, the district may require additional funds to accommodate the surge in growth. However, the Tax Cap restricts the district's ability to raise property taxes beyond a certain threshold, which may not be sufficient to cover the increased costs associated with more students. These constraints put pressure on existing resources and may require making difficult decisions, such as cutting non-essential programs, increasing class size, and delaying facility upgrades. Further, they may impede the district's ability to increase staffing or expand the facilities if needed.

Croton-Harmon School District's Changing Enrollment

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
K-4	598	595	591	565	571	551	555	567	588	583
5-8	523	517	504	485	520	494	494	472	473	463
9-12	514	524	512	506	488	475	484	486	509	509
Total	1,635	1,636	1,607	1,556	1,579	1,520	1,533	1,525	1,570	1,555

Budget:

It is clear that the School District is heavily dependent upon real property taxes as it represents approximately 77.14% of School District budgeted revenues in 2023-2024 (inclusive of STAR).

Effective in the 2012-2013 school year, legislation was passed by New York State capping tax levy increases to 2%. Under these circumstances, the challenge of presenting a fiscally responsible budget, while meeting the needs of children and mandates, will require effective and efficient management of School District operations in future years. It will be important that discussions take place about anticipated enrollment changes and what budgetary choices or changes are possible so the community is fully cognizant of what tradeoffs are needed.

Capital Assets

As of June 30, 2024, the School District had \$71,774,510 net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, as well as machinery and equipment, vehicles and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

The change in capital assets during the current fiscal year results from the additional construction-in-progress and depreciation expense.

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

Class	June 30,	
	2024	2023
Land	\$ 810,100	\$ 810,100
Construction-in-Progress	5,190,499	1,099,161
Land Improvements	164,723	210,466
Buildings and Improvements	63,494,105	64,133,088
Furniture and Equipment	856,886	913,892
Vehicles	1,258,197	1,362,281
Total Capital Assets, net of Accumulated depreciation	\$ 71,774,510	\$ 68,528,988

Long-Term Debt

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

	June 30,	
	2024	2023
Bonds Payable, net	\$ 9,220,113	\$ 11,655,581
Energy Performance Contract	3,657,166	4,176,554
Compensated Absences	473,093	488,718
Net Pension Liability	3,877,122	5,823,548
Other Post Employment Benefit Liability	<u>60,648,194</u>	<u>52,901,940</u>
Total	<u>\$ 77,875,688</u>	<u>\$ 75,046,341</u>

The School District's other postemployment benefit liability was recorded in accordance with the provisions of GASB Statement No. 75. This liability will continue to grow as at this time the School District is permitted by New York State only to fund its pay-as-you-go obligations for health insurance.

More detailed information about the School District's long-term liabilities is presented in note 3E in the notes to financial statements.

Requests for Information

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

Croton-Harmon Union Free School District
Attn: Denise Harrington-Cohen
Assistant Superintendent for Business
10 Gerstein Street
Croton-on-Hudson, New York 10520

Croton-Harmon Union Free School District, New York

Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 37,545,614
Investments	16,911,617
Receivables	
Accounts	50,001
State and Federal aid	943,321
Due from other governments, net	640,484
Inventories	7,524
Capital assets	
Not being depreciated	6,000,599
Being depreciated/amortized, net	<u>65,773,911</u>
Total Assets	<u>127,873,071</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	10,768,272
OPEB related	<u>7,751,264</u>
Total Deferred Outflows of Resources	<u>18,519,536</u>
LIABILITIES	
Accounts payable	2,188,051
Accrued liabilities	192,193
Bond anticipation notes payable	27,898,845
Deposits payable	57,644
Due to other governments	913
Due to retirement systems	2,521,459
Unearned revenues	129,874
Accrued interest payable	71,141
Non-current liabilities	
Due within one year	4,108,643
Due in more than one year	<u>73,767,045</u>
Total Liabilities	<u>110,935,808</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	2,040,153
OPEB related	<u>2,821,271</u>
Deferred Inflows of Resources	<u>4,861,424</u>
NET POSITION	
Net investment in capital assets	55,279,016
Restricted	
Capital projects	819,244
Capital improvements	9,837,037
Debt service	426,054
Repairs	250,750
Tax certiorari	2,617,021
Workers' compensation benefits	387,445
Employee benefit	45,128
ERS retirement contribution	1,981,237
TRS retirement contribution	1,861,339
Unemployment insurance	215,472
Insurance	981,498
Special revenues	
Extraclassroom	140,634
Other	62,576
Unrestricted	<u>(44,309,076)</u>
Total Net Position	<u>\$ 30,595,375</u>

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

Croton-Harmon Union Free School District, New York

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 9,077,114	\$ 76	\$ -	\$ -	\$ (9,077,038)
Instruction	43,299,497	229,395	1,254,300	6,988	(41,808,814)
Pupil transportation	3,980,320	-	68,543	-	(3,911,777)
Cost of food sales	935,740	590,690	230,308	-	(114,742)
Other	165,949	-	181,928	-	15,979
Interest	573,675	-	41,911	177,393	(354,371)
Total Governmental Activities	\$ 58,032,295	\$ 820,161	\$ 1,776,990	\$ 184,381	(55,250,763)
General revenues					
Real property taxes					41,294,730
School tax relief reimbursement					2,041,451
Non-property taxes					
Non-property tax distribution from County					1,024,438
Unrestricted use of money and property					1,267,926
Sale of property and compensation for loss					88,468
Unrestricted State aid					9,890,407
Miscellaneous					409,499
Total General Revenues					56,016,919
Change in Net Position					766,156
Net Position - Beginning					29,829,219
Net Position - Ending					\$ 30,595,375

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

Croton-Harmon Union Free School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2024

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 10,653,765	\$ -	\$ 26,114,317
Investments	16,911,617	-	-
Receivables			
Accounts	44,064	5,937	-
State and Federal aid	403,191	521,524	6,988
Due from other governments	640,484	-	-
Due from other funds	457,487	-	63,321
Inventories	-	-	-
Total Assets	<u>\$ 29,110,608</u>	<u>\$ 527,461</u>	<u>\$ 26,184,626</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,056,642	\$ 48,583	\$ 1,036,248
Accrued liabilities	190,193	1,717	-
Bond anticipation notes payable	-	-	27,898,845
Due to other funds	63,321	457,487	48,504
Due to other governments	-	-	-
Due to retirement systems	2,521,459	-	-
Deposits payable	57,644	-	-
Unearned revenues	-	19,674	-
Total Liabilities	<u>3,889,259</u>	<u>527,461</u>	<u>28,983,597</u>
Fund balances			
Nonspendable	-	-	-
Restricted	19,050,020	-	-
Assigned	3,819,398	-	-
Unassigned	2,351,931	-	(2,798,971)
Total Fund Balances	<u>25,221,349</u>	<u>-</u>	<u>(2,798,971)</u>
Total Liabilities and Fund Balances	<u>\$ 29,110,608</u>	<u>\$ 527,461</u>	<u>\$ 26,184,626</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 777,532	\$ 37,545,614
-	16,911,617
-	50,001
11,618	943,321
-	640,484
48,504	569,312
7,524	7,524
<u>\$ 845,178</u>	<u>\$ 56,667,873</u>

\$ 46,578	\$ 2,188,051
283	192,193
-	27,898,845
-	569,312
913	913
-	2,521,459
-	57,644
110,200	129,874
<u>157,974</u>	<u>33,558,291</u>

7,524	7,524
629,264	19,679,284
50,416	3,869,814
-	(447,040)
<u>687,204</u>	<u>23,109,582</u>
<u>\$ 845,178</u>	<u>\$ 56,667,873</u>

Croton-Harmon Union Free School District, New York

Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2024

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

Total Fund Balances - Governmental Funds	<u>\$ 23,109,582</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	6,000,599
Capital assets - depreciable/amortizable	102,282,646
Accumulated depreciation/amortization	<u>(36,508,735)</u>
	<u>71,774,510</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	10,768,272
Deferred outflows - OPEB related	7,751,264
Deferred inflows - pension related	(2,040,153)
Deferred inflows - OPEB related	<u>(2,821,271)</u>
	<u>13,658,112</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds payable	(7,250,000)
Energy performance contract payable	(3,657,166)
Compensated absences	(473,093)
Net pension liability - ERS	(2,654,584)
Net pension liability - TRS	(1,222,538)
Total OPEB liability	(60,648,194)
Accrued interest payable	<u>(71,141)</u>
	<u>(75,976,716)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Premium on general obligation bonds	<u>(1,970,113)</u>
Net Position of Governmental Activities	<u><u>\$ 30,595,375</u></u>

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

Croton-Harmon Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2024

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 41,294,730	\$ -	\$ -
Other tax items	2,041,451	-	-
Non-property taxes	1,024,438	-	-
Charges for services	229,395	-	-
Use of money and property	1,267,926	-	-
Sale of property and compensation for loss	88,468	-	-
State aid	10,029,915	240,840	6,988
Federal aid	19,132	842,211	-
Food sales	-	-	-
Miscellaneous	450,359	81,152	-
Total Revenues	56,445,814	1,164,203	6,988
EXPENDITURES			
Current			
General support	6,784,889	-	-
Instruction	27,887,816	1,129,950	-
Pupil transportation	2,607,998	68,543	-
Community services	-	-	-
Employee benefits	9,845,669	813	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	2,774,388	-	-
Interest	745,306	-	-
Capital outlay	-	-	5,828,964
Total Expenditures	50,646,066	1,199,306	5,828,964
Excess (Deficiency) of Revenues Over Expenditures	5,799,748	(35,103)	(5,821,976)
OTHER FINANCING SOURCES (USES)			
Transfers in	389,389	35,103	3,261,691
Transfers out	(3,451,794)	-	(389,461)
Total Other Financing Sources (Uses)	(3,062,405)	35,103	2,872,230
Net Change in Fund Balances	2,737,343	-	(2,949,746)
FUND BALANCES			
Beginning of Year	22,484,006	-	150,775
End of Year	\$ 25,221,349	\$ -	\$ (2,798,971)

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 41,294,730
-	2,041,451
-	1,024,438
-	229,395
52,976	1,320,902
-	88,468
8,216	10,285,959
222,092	1,083,435
590,690	590,690
307,472	838,983
<u>1,181,446</u>	<u>58,798,451</u>
-	6,784,889
-	29,017,766
-	2,676,541
-	-
-	9,846,482
939,063	939,063
165,949	165,949
-	2,774,388
-	745,306
-	5,828,964
<u>1,105,012</u>	<u>58,779,348</u>
<u>76,434</u>	<u>19,103</u>
155,072	3,841,255
-	(3,841,255)
<u>155,072</u>	<u>-</u>
231,506	19,103
<u>455,698</u>	<u>23,090,479</u>
<u>\$ 687,204</u>	<u>\$ 23,109,582</u>

Croton-Harmon Union Free School District, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2024

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 19,103</u>
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital outlay expenditures	5,957,603
Depreciation expense	<u>(2,712,081)</u>
	<u>3,245,522</u>

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

Principal paid on general obligation bonds	2,255,000
Principal paid on energy performance contract	<u>519,388</u>
	<u>2,774,388</u>

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

Compensated absences	15,625
Changes in pension liabilities and related deferred outflows and inflows of resources	(1,875,994)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(3,584,119)
Accrued interest	(8,837)
Amortization of premium	<u>180,468</u>
	<u>(5,272,857)</u>

Change in Net Position of Governmental Activities	<u><u>\$ 766,156</u></u>
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The notes to financial statements are an integral part of this statement.

Croton-Harmon Union Free School District, New York

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 43,336,181	\$ 41,294,730	\$ 41,294,730	\$ -
Other tax items	-	2,041,451	2,041,451	-
Non-property taxes	825,000	825,000	1,024,438	199,438
Charges for services	20,000	20,000	229,395	209,395
Use of money and property	275,000	275,000	1,267,926	992,926
Sale of property and compensation for loss	12,000	12,000	88,468	76,468
State aid	9,709,038	9,709,038	10,029,915	320,877
Federal aid	10,000	10,000	19,132	9,132
Miscellaneous	47,000	87,860	450,359	362,499
Total Revenues	54,234,219	54,275,079	56,445,814	2,170,735
EXPENDITURES				
Current				
General support	8,427,512	8,565,702	6,784,889	1,780,813
Instruction	29,189,530	29,441,621	27,887,816	1,553,805
Pupil transportation	3,103,093	3,102,895	2,607,998	494,897
Employee benefits	10,962,551	10,750,439	9,845,669	904,770
Debt service				
Principal	2,774,388	2,774,388	2,774,388	-
Interest	866,477	745,306	745,306	-
Total Expenditures	55,323,551	55,380,351	50,646,066	4,734,285
Excess of Revenues Over Expenditures	(1,089,332)	(1,105,272)	5,799,748	6,905,020
OTHER FINANCING SOURCES (USES)				
Transfers in	-	389,389	389,389	-
Transfers out	(1,480,612)	(3,496,691)	(3,451,794)	44,897
Total Other Financing Sources (Uses)	(1,480,612)	(3,107,302)	(3,062,405)	44,897
Net Change in Fund Balance	(2,569,944)	(4,212,574)	2,737,343	6,949,917
FUND BALANCE				
Beginning of Year	2,569,944	4,212,574	22,484,006	18,271,432
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,221,349</u>	<u>\$ 25,221,349</u>

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

Croton-Harmon Union Free School District, New York

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Year Ended June 30, 2024

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 937,822
DEDUCTIONS	
Payments of real property taxes to other governments	<u>937,822</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

B. District-Wide Financial Statements

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Financial Statements

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

Fund Categories

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

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds. The major revenues of this fund are State and Federal aid.

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

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

Special Revenue Funds:

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. The School District reports real property taxes collected on behalf of other governments in this fund.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made, and the amounts are expected to be collected within one year of the fiscal year end. A ninety-day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, compensated absences, net pension liabilities and other postemployment benefit liabilities are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The School District's position in the pool in the amount of \$16,911,617 at June 30, 2024 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

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

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

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2024.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2024, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Capital Assets - Capital assets are tangible and intangible assets, which include property, plant and equipment, and are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets (except intangible right-to-use lease assets, which is discussed in note 3B) are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

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

Land and construction-in-progress are not depreciated. The other tangible and intangible property, plant and equipment and right-to-use leased assets of the School District are depreciated using the straight-line method over the following estimated useful lives.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$196,674 for State and Federal aid received in advance in the Special Aid Fund and \$18,435 for student meal monies and \$91,765 for federal grant funds received in advance in the School Lunch Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The School District reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3E.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Restricted net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the School District includes restricted for capital projects, capital improvements, debt service, repairs, tax certiorari, workers' compensation benefits, unemployment, retirement contribution, insurance and miscellaneous special revenues.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

F. Encumbrances

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

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 10, 2024.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

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

B. Limitation on Fund Balance

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

C. Property Tax Limitation

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

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

D. Capital Projects Fund Project Deficit

Deficits in certain capital projects arise because of the application of generally accepted accounting principles. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an “other financing source”. Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. Deficits in these projects will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2024 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 457,487	\$ 63,321
Capital Projects	63,321	48,504
Special Aid	-	457,487
Non-Major Governmental	48,504	-
	<u>\$ 569,312</u>	<u>\$ 569,312</u>

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

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

B. Capital Assets

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

Class	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets, not being depreciated:				
Land	\$ 810,100	\$ -	\$ -	\$ 810,100
Construction-in-progress	1,099,161	5,688,938	1,597,600	5,190,499
Total Capital Assets, not being depreciated	<u>\$ 1,909,261</u>	<u>\$ 5,688,938</u>	<u>\$ 1,597,600</u>	<u>\$ 6,000,599</u>
Capital Assets, being depreciated:				
Land Improvements	\$ 1,307,095	\$ -	\$ -	\$ 1,307,095
Buildings and Improvements	93,609,295	1,597,600	-	95,206,895
Furniture and Equipment	1,636,058	98,025	11,223	1,722,860
Vehicles	3,910,401	170,640	35,245	4,045,796
Total Capital Assets, being depreciated	<u>100,462,849</u>	<u>1,866,265</u>	<u>46,468</u>	<u>102,282,646</u>
Less Accumulated Depreciation for:				
Land Improvements	1,096,629	45,743	-	1,142,372
Buildings and Improvements	29,476,207	2,236,583	-	31,712,790
Furniture and Equipment	722,166	155,031	11,223	865,974
Vehicles	2,548,120	274,724	35,245	2,787,599
Total Accumulated Depreciation	<u>33,843,122</u>	<u>2,712,081</u>	<u>46,468</u>	<u>36,508,735</u>
Total Capital Assets, being depreciated, net	<u>\$ 66,619,727</u>	<u>\$ (845,816)</u>	<u>\$ -</u>	<u>\$ 65,773,911</u>
Capital Assets, net	<u>\$ 68,528,988</u>	<u>\$ 4,843,122</u>	<u>\$ 1,597,600</u>	<u>\$ 71,774,510</u>

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

General support	\$ 528,324
Instruction	1,881,812
Cost of food sales	32,763
Pupil transportation	<u>269,182</u>
Total Depreciation Expense	<u>\$ 2,712,081</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2024 were as follows:

	General Fund	Special Aid Fund	Non-Major Governmental Fund	Total
Payroll and Employee Benefits	<u>\$ 190,193</u>	<u>\$ 1,717</u>	<u>\$ 283</u>	<u>\$ 192,193</u>

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

D. Short-Term Capital Borrowings

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

Purpose	Year of Original Issue	Interest Rate	Maturity Date	Balance July 1, 2023	New Issues	Maturities and/or Payments	Balance June 30, 2024
Capital Projects Fund -							
Bond Anticipation Notes							
School Buses and Vehicles	2021	3.68 %	-	\$ 551,563	\$ -	\$ 551,563	\$ -
School Buses and Vehicles	2023	4.79	10/11/2024	-	724,894	-	724,894
Building Improvements	2023	4.25	-	-	9,000,000	9,000,000	-
Building Improvements	2024	4.00	6/27/2025	-	27,173,951	-	27,173,951
				<u>\$ 551,563</u>	<u>\$ 36,898,845</u>	<u>\$ 9,551,563</u>	<u>\$ 27,898,845</u>

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

Interest expenditures of \$221,110 were recorded in the fund financial statements in the General Fund and \$240,562 district-wide financial statements.

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2024:

	Balance July 1, 2023	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2024	Due Within One-Year
General Obligation Bonds Payable	\$ 9,505,000	\$ -	\$ 2,255,000	\$ 7,250,000	\$ 1,930,000
Plus - Unamortized Premium on Bonds	2,150,581	-	180,468	1,970,113	-
	<u>11,655,581</u>	<u>-</u>	<u>2,435,468</u>	<u>9,220,113</u>	<u>1,930,000</u>
Energy Performance Contract Payable	4,176,554	-	519,388	3,657,166	531,643
Other Non-current Liabilities:					
Compensated Absences	488,718	33,375	49,000	473,093	47,000
Net Pension Liability - ERS	3,771,498	-	1,116,914	2,654,584	-
Net Pension Liability - TRS	2,052,050	-	829,512	1,222,538	-
Other Postemployment Benefit Liability	52,901,940	9,342,841	1,596,587	60,648,194	1,600,000
Total Other Non-current Liabilities	<u>59,214,206</u>	<u>9,376,216</u>	<u>3,592,013</u>	<u>64,998,409</u>	<u>1,647,000</u>
Total Long-Term Liabilities	<u>\$ 75,046,341</u>	<u>\$ 9,376,216</u>	<u>\$ 6,546,869</u>	<u>\$ 77,875,688</u>	<u>\$ 4,108,643</u>

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

Each governmental fund's liability for energy performance contract debt, leases, claims payable, compensated absences, net pension liabilities and other postemployment benefit liability is liquidated by the General Fund. The School District's indebtedness for general obligation bonds is satisfied by the Debt Service Fund, which is funded primarily by the General Fund.

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2024 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding at June 30, 2024</u>
District-Wide Improvements	2020	\$ 15,620,000	June, 2034	2.00 - 5.00 %	<u>\$ 7,250,000</u>

Interest expenditures of \$447,150 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$257,748 was recorded in the district-wide financial statements.

Energy Performance Contract Payable

The School District, in a prior fiscal year, entered into a \$3,540,000 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for annual payments of \$134,044 payable semi-annually, including interest at 2.84% through May 2026. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures of \$24,443 were recorded in the fund financial statements in the General Fund. Interest expense of \$23,366 was recorded in the district-wide financial statements. The balance due at June 30, 2023 was \$632,708.

The School District, in a prior fiscal year, entered into a \$3,425,000 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for annual payments of \$134,385 payable semi-annually, including interest at 1.645% through October 2036. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures of \$52,603 were recorded in the fund financial statements in the General Fund. Interest expense of \$51,999 was recorded in the district-wide financial statements. The balance due at June 30, 2024 was \$3,024,458.

Payments to Maturity

The annual requirements to amortize all outstanding bonded, energy performance contract debt and leases as of June 30, 2024 including interest payments of \$1,292,731 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		<u>Energy Performance Contract</u>		<u>Total</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,930,000	\$ 334,400	\$ 531,643	\$ 64,790	\$ 2,461,643	\$ 399,190	\$ 2,860,833
2026	1,690,000	237,900	544,206	52,227	2,234,206	290,127	2,524,333
2027	1,675,000	153,400	227,094	41,675	1,902,094	195,075	2,097,169
2028	335,000	69,650	230,858	37,911	565,858	107,561	673,419
2029	335,000	52,900	234,685	34,085	569,685	86,985	656,670
2030-2034	1,285,000	86,700	1,233,077	110,771	2,518,077	197,471	2,715,548
2035-2037	-	-	655,603	16,322	655,603	16,322	671,925
	<u>\$ 7,250,000</u>	<u>\$ 934,950</u>	<u>\$ 3,657,166</u>	<u>\$ 357,781</u>	<u>\$ 10,907,166</u>	<u>\$ 1,292,731</u>	<u>\$ 12,199,897</u>

Note 3 - Detailed Notes on All Funds (Continued)

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

Legal Debt Margin

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property.

Compensated Absences

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

Pension Plans

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

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

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

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976, and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010, generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the ERS plan year ended March 31, 2024 and TRS plan year ended June 30, 2024 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	15.0 %
	5 A15	13.0
	6 A15	9.6
TRS	1-6	9.76 %

At June 30, 2024, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Net pension liability	\$ 2,654,584	\$ 1,222,538
School Districts' proportion of the net pension liability	0.0180289 %	0.106904 %
Change in proportion since the prior measurement date	0.0004413 %	(0.000065) %

The net pension liability was measured as of March 31, 2024, for ERS and June 30, 2023 for TRS and the total pension liability used to calculate the net pension liability were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2024, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$4,726,396, (\$1,238,712 for ERS and \$3,487,684 for TRS). Pension expenditures were recorded in the fund financial statements and were charged to the General Fund of \$823,304 for ERS and \$2,027,098 for TRS.

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2024, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 855,039	\$ 72,384	\$ 2,964,329	\$ 7,326
Changes of assumptions	1,003,638	-	2,632,088	573,649
Net difference between projected and actual earnings on pension plan investments	-	1,296,750	624,937	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	235,015	36,810	157,846	53,234
School District contributions subsequent to the measurement date	269,519	-	2,025,861	-
	<u>\$ 2,363,211</u>	<u>\$ 1,405,944</u>	<u>\$ 8,405,061</u>	<u>\$ 634,209</u>
	<u>Total</u>			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 3,819,368	\$ 79,710		
Changes of assumptions	3,635,726	573,649		
Net difference between projected and actual earnings on pension plan investments	624,937	1,296,750		
Changes in proportion and differences between School District contributions and proportionate share of contributions	392,861	90,044		
School District contributions subsequent to the measurement date	2,295,380	-		
	<u>\$ 10,768,272</u>	<u>\$ 2,040,153</u>		

\$269,519 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2025. The \$2,025,861 reported as deferred outflows of resources related to TRS will be recognized as a decrease of the net pension liability in the plan's year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31,	June 30,
	ERS	TRS
2024	\$ -	\$ 511,078
2025	(419,722)	(600,043)
2026	565,635	4,943,247
2027	803,326	397,240
2028	(261,491)	310,553
Thereafter	-	182,916
	<u>\$ 687,748</u>	<u>\$ 5,744,991</u>

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

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

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Investment rate of return	5.9% *	6.95% *
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.9%	2.4%
Cost of living adjustments	1.5%	1.3%

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

For ERS, annuitant mortality rates are based on the ERS’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

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

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

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

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

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

Asset Type	ERS March 31, 2024		TRS June 30, 2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.00 %	33 %	6.8 %
International Equity	15	6.65	15	7.6
Private Equity	10	7.25	9	10.1
Real Estate	9	4.60	11	6.3
Domestic Fixed Income Securities	-	-	16	2.2
Global Bonds	-	-	2	1.6
High Yield Bonds	-	-	1	4.4
Global Equities	-	-	4	7.2
Private Debt	-	-	2	6.0
Real Estate Debt	-	-	6	3.2
Opportunistic/ARS Portfolio	3	5.25	-	-
Credit	4	5.40	-	-
Real Assets	3	5.79	-	-
Fixed Income	23	1.50	-	-
Cash	1	0.25	1	0.3
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

	<u>1% Decrease (4.9%)</u>	<u>Current Discount Rate (5.9%)</u>	<u>1% Increase (6.9%)</u>
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 8,346,283</u>	<u>\$ 2,654,584</u>	<u>\$ (2,099,166)</u>
	<u>1% Decrease (5.95%)</u>	<u>Current Discount Rate (6.95%)</u>	<u>1% Increase (7.95%)</u>
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 18,619,874</u>	<u>\$ 1,222,538</u>	<u>\$ (13,409,374)</u>

The components of the collective net pension liability as of the March 31, 2024, ERS measurement date and the June 30, 2023, TRS measurement date were as follows:

	<u>ERS</u>	<u>TRS</u>
Total pension liability	\$ 240,696,851,000	\$ 138,365,121,961
Fiduciary net position	<u>225,971,801,000</u>	<u>137,221,536,942</u>
Employers' net pension liability	<u>\$ 14,725,050,000</u>	<u>\$ 1,143,585,019</u>
Fiduciary net position as a percentage of total pension liability	<u>93.88%</u>	<u>99.17%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2024 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2024 were \$269,519 to ERS and \$2,251,940 to TRS (including employee contributions of \$226,079).

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will

Note 3 - Detailed Notes on All Funds (Continued)

contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability (“OPEB”)

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

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	117
Active employees	<u>253</u>
	<u><u>370</u></u>

The School District’s total OPEB liability of \$60,648,194 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.0%, average, including inflation
Discount rate	4.09%
Healthcare cost trend rates	7.0% for 2025, decreasing 0.25% per year to an ultimate rate of 4.0% for 2037 and later years
Retirees' share of benefit-related costs	Retiree contribution rates vary by employee class and date of retirement

The discount rate was based on an average of three 20-year bond indices (e.g., Bond Buyers, 20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of June 30, 2024.

The actuarial assumptions used in the June 30, 2024 valuation reflects the retirement from the active plan and is based on age and gender period. This is the assumption used by the TRS and ERS.

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

The School District's change in the total OPEB liability for the year ended June 30, 2024 is as follows:

Total OPEB Liability - Beginning of Year	\$ 52,901,940
Service cost	1,881,366
Interest	2,131,039
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	5,330,436
Benefit payments	<u>(1,596,587)</u>
 Total OPEB Liability - End of Year	 <u>\$ 60,648,194</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.00%) or 1 percentage point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	<u>\$ 72,497,844</u>	<u>\$ 60,648,194</u>	<u>\$ 51,431,700</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.0%) or 1 percentage point higher (8.0% decreasing to 5.0%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.0%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.0%)	1% Increase (8.0% decreasing to 5.0%)
Total OPEB Liability	<u>\$ 50,358,290</u>	<u>\$ 60,648,194</u>	<u>\$ 74,342,918</u>

For the year ended June 30, 2024, the School District recognized OPEB expense of \$5,180,706 in the district-wide financial statements. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	<u>\$ 7,751,264</u>	<u>\$ 2,821,271</u>

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

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

Year Ended June 30,	
2025	\$ 1,168,300
2026	419,237
2027	995,116
2028	639,844
2029	639,844
Thereafter	<u>1,067,652</u>
	<u><u>\$ 4,929,993</u></u>

F. Revenues and Expenditures

Interfund Transfers

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

Transfers Out	Transfers In				Total
	General Fund	Special Aid Fund	Capital Projects Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 35,103	\$ 3,261,691	\$ 155,000	\$ 3,451,794
Capital Projects Fund	389,389	-	-	72	389,461
	<u>\$ 389,389</u>	<u>\$ 35,103</u>	<u>\$ 3,261,691</u>	<u>\$ 155,072</u>	<u>\$ 3,841,255</u>

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund and Capital Projects Fund as debt service principal and interest payments become due and 2) move amounts earmarked in the operating funds to fulfill commitments for Special Aid Fund expenditures.

G. Net Position

The components of net position are detailed below:

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

Restricted for Workers' Compensation Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-j of the General Municipal Law of the State of New York.

Restricted for Employee Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-n of the General Municipal Law of the State of New York.

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

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

Restricted for Insurance - the component of net position that has been established to set aside funds to repair assets funded by insurance recoveries pursuant to Educational Law.

Restricted for Special Revenues - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes with constraints placed on their use by either external parties and/or statute.

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

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable - Inventories	\$ -	\$ -	\$ 7,524	\$ 7,524
Restricted:				
Workers' compensation	387,445	-	-	387,445
Workers compensation - for subsequent year's expenditures	200,000	-	-	200,000
Unemployment insurance	215,472	-	-	215,472
Tax certiorari	2,617,021	-	-	2,617,021
ERS retirement contributions	1,581,237	-	-	1,581,237
ERS retirement contributions - for subsequent year's expenditures	400,000	-	-	400,000
TRS retirement contributions	1,861,339	-	-	1,861,339
TRS retirement contributions - for subsequent year's expenditures	200,000	-	-	200,000
Employee benefit accrued liability	518,221	-	-	518,221
Repair	250,750	-	-	250,750
Insurance losses	981,498	-	-	981,498
Capital projects	9,837,037	-	-	9,837,037
Debt service	-	-	426,054	426,054
Special revenues - extraclassroom activities	-	-	140,634	140,634
Special revenues - other	-	-	62,576	62,576
Total Restricted	19,050,020	-	629,264	19,679,284
Assigned:				
Purchases on order:				
General government support	810,544	-	-	810,544
Instruction	82,978	-	-	82,978
Transportation	8,750	-	-	8,750
	902,272	-	-	902,272
For subsequent year's expenditures -				
General Fund	2,917,126	-	-	2,917,126
School Lunch Fund	-	-	50,416	50,416
Total Assigned	3,819,398	-	50,416	3,869,814
Unassigned	2,351,931	(2,798,971)	-	(447,040)
Total Fund Balances	\$ 25,221,349	\$ (2,798,971)	\$ 687,204	\$ 23,109,582

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

In addition, the School District is involved in a civil matter that has been assigned to the School District's insurance carrier. The outcome of this matter cannot be determined at this time.

B. Contingencies

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

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

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

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million. The School District maintains liability coverage for school board members up to \$1 million. The School District also maintains an umbrella policy with coverage up to \$16 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District has also established a reserve for property loss and liability pursuant to General Municipal Law. At June 30, 2024, the balance in the reserve was \$981,498, which is to be used for the uninsured portion of any losses.

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

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

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 101, “*Compensated Absences*”, provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102, “*Certain Risk Disclosures*”, was issued to disclosure within the government financial statements risks related to a government’s vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party of by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

GASB Statement No. 103, “*Financial Reporting Model Improvements*”, has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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

Croton-Harmon Union Free School District, New York

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB Liability:			
Service cost	\$ 1,881,366	\$ 1,428,330	\$ 1,491,551
Interest	2,131,039	2,087,720	1,818,833
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions or other inputs *	5,330,436	(2,146,523)	1,908,386
Benefit payments	<u>(1,596,587)</u>	<u>(1,321,179)</u>	<u>(1,220,180)</u>
Net Change in Total OPEB Liability	7,746,254	48,348	3,998,590
Total OPEB Liability – Beginning of Year	<u>52,901,940</u>	<u>52,853,592</u>	<u>48,855,002</u>
Total OPEB Liability – End of Year	<u>\$ 60,648,194</u>	<u>\$ 52,901,940</u>	<u>\$ 52,853,592</u>
School District's covered-employee payroll	<u>\$ 25,025,319</u>	<u>\$ 21,636,185</u>	<u>\$ 21,636,185</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>242.35%</u>	<u>244.51%</u>	<u>244.28%</u>
*Discount Rate	<u>4.09%</u>	<u>4.00%</u>	<u>3.77%</u>

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

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

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

See independent auditors' report.

2021	2020	2019	2018
\$ 1,643,302	\$ 1,426,151	\$ 570,808	\$ 492,015
924,513	1,039,906	1,413,909	1,460,333
-	-	-	-
-	-	-	-
2,486,898	(4,031,134)	5,243,433	-
(869,571)	(830,621)	(1,058,230)	(1,050,330)
4,185,142	(2,395,698)	6,169,920	902,018
44,669,860	47,065,558	40,895,638	39,993,620 (3)
<u>\$ 48,855,002</u>	<u>\$ 44,669,860</u>	<u>\$ 47,065,558</u>	<u>\$ 40,895,638</u>
<u>\$ 21,752,300</u>	<u>\$ 21,752,300</u>	<u>\$ 21,627,861</u>	<u>\$ 21,627,861</u>
<u>224.60%</u>	<u>205.36%</u>	<u>217.62%</u>	<u>189.09%</u>
<u>2.09%</u>	<u>2.44%</u>	<u>3.10%</u>	<u>3.10%</u>

Croton-Harmon Union Free School District, New York

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

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

	2024	2023 (3)	2022 (4)	2021 (3)
School District's proportion of the net pension liability (asset)	<u>0.106904%</u>	<u>0.106939%</u>	<u>0.110139%</u>	<u>0.108842%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 1,222,538</u>	<u>\$ 2,052,050</u>	<u>\$ (19,086,079)</u>	<u>\$ 3,007,601</u>
School District's covered payroll	<u>\$ 19,724,101</u>	<u>\$ 18,947,274</u>	<u>\$ 18,947,274</u>	<u>\$ 18,822,336</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>6.20%</u>	<u>10.83%</u>	<u>(100.73)%</u>	<u>15.98%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.17%</u>	<u>98.57%</u>	<u>113.20%</u>	<u>97.76%</u>
Discount Rate	<u>6.95%</u>	<u>6.95%</u>	<u>6.95%</u>	<u>7.10%</u>

Schedule of Contributions

	2024	2023	2022	2021
Contractually required contribution	<u>\$ 2,025,861</u>	<u>\$ 2,029,610</u>	<u>\$ 1,781,554</u>	<u>\$ 1,740,502</u>
Contributions in relation to the contractually required contribution	<u>(2,025,861)</u>	<u>(2,029,610)</u>	<u>(1,781,554)</u>	<u>(1,740,502)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 20,756,776</u>	<u>\$ 19,724,101</u>	<u>\$ 18,947,274</u>	<u>\$ 18,822,336</u>
Contributions as a percentage of covered payroll	<u>9.76%</u>	<u>10.29%</u>	<u>9.40%</u>	<u>9.25%</u>

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

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

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

(4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>0.108671%</u>	<u>0.109483%</u>	<u>0.107448%</u>	<u>0.108427%</u>	<u>0.106759%</u>	<u>0.106184%</u>
<u>\$ (2,823,282)</u>	<u>\$ (1,979,741)</u>	<u>\$ (816,711)</u>	<u>\$ 1,161,293</u>	<u>\$ (11,088,831)</u>	<u>\$ (11,828,204)</u>
<u>\$ 18,477,570</u>	<u>\$ 18,138,972</u>	<u>\$ 17,026,952</u>	<u>\$ 16,731,299</u>	<u>\$ 16,036,612</u>	<u>\$ 15,684,989</u>
<u>(15.28)%</u>	<u>(10.91)%</u>	<u>(4.80)%</u>	<u>6.94%</u>	<u>(69.15)%</u>	<u>(75.41)%</u>
<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>
<u>7.10%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>\$ 1,876,941</u>	<u>\$ 1,748,110</u>	<u>\$ 1,995,559</u>	<u>\$ 2,218,570</u>	<u>\$ 2,811,218</u>	<u>\$ 2,548,811</u>
<u>(1,876,941)</u>	<u>(1,748,110)</u>	<u>(1,995,559)</u>	<u>(2,218,570)</u>	<u>(2,811,218)</u>	<u>(2,548,811)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 18,822,336</u>	<u>\$ 18,138,972</u>	<u>\$ 17,026,952</u>	<u>\$ 16,731,299</u>	<u>\$ 16,036,612</u>	<u>\$ 15,684,989</u>
<u>9.97%</u>	<u>9.64%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>	<u>16.25%</u>

Croton-Harmon Union Free School District, New York

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

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

	2024	2023 (3)	2022 (4)	2021 (4)
School District's proportion of the net pension liability (asset)	0.0180289%	0.0175876%	0.0182433%	0.0180489%
School District's proportionate share of the net pension liability (asset)	\$ 2,654,584	\$ 3,771,498	\$ (1,491,316)	\$ 17,972
School District's covered payroll	\$ 7,427,111	\$ 7,543,414	\$ 6,040,908	\$ 6,160,977
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.74%	50.00%	(24.69)%	0.29%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2024	2023	2022	2021
Contractually required contribution	\$ 786,550	\$ 680,650	\$ 939,601	\$ 861,145
Contributions in relation to the contractually required contribution	(786,550)	(680,650)	(939,601)	(861,145)
Contribution excess	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 7,402,511	\$ 7,523,280	\$ 6,040,908	\$ 6,160,977
Contributions as a percentage of covered payroll	10.63%	9.05%	15.55%	13.98%

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

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.
 (3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

2020 (3)	2019	2018	2017	2016	2015
<u>0.0187452%</u>	<u>0.0190977%</u>	<u>0.0191017%</u>	<u>0.0197352%</u>	<u>0.0189940%</u>	<u>0.0192853%</u>
<u>\$ 4,963,849</u>	<u>\$ 1,353,128</u>	<u>\$ 616,497</u>	<u>\$ 1,854,364</u>	<u>\$ 3,048,584</u>	<u>\$ 651,504</u>
<u>\$ 6,060,981</u>	<u>\$ 5,700,424</u>	<u>\$ 5,532,627</u>	<u>\$ 5,432,392</u>	<u>\$ 5,024,641</u>	<u>\$ 5,406,703</u>
<u>81.90%</u>	<u>23.74%</u>	<u>11.14%</u>	<u>34.14%</u>	<u>60.67%</u>	<u>12.05%</u>
<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>
<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.50%</u>

2020	2019	2018	2017	2016	2015
<u>\$ 834,898</u>	<u>\$ 791,873</u>	<u>\$ 787,973</u>	<u>\$ 801,828</u>	<u>\$ 892,278</u>	<u>\$ 986,549</u>
<u>(834,898)</u>	<u>(791,873)</u>	<u>(787,973)</u>	<u>(801,828)</u>	<u>(892,278)</u>	<u>(986,549)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 6,060,981</u>	<u>\$ 5,700,424</u>	<u>\$ 5,532,627</u>	<u>\$ 5,432,392</u>	<u>\$ 5,024,641</u>	<u>\$ 5,406,703</u>
<u>13.77%</u>	<u>13.89%</u>	<u>14.24%</u>	<u>14.76%</u>	<u>17.76%</u>	<u>18.25%</u>

Croton-Harmon Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and equivalents	\$ 10,653,765	\$ 7,218,005
Investments	16,911,617	17,438,740
Receivables		
Accounts	44,064	40,284
State and Federal aid	403,191	577,187
Due from other governments	640,484	608,616
Due from other funds	457,487	431,732
	<u>1,545,226</u>	<u>1,657,819</u>
Total Assets	<u>\$ 29,110,608</u>	<u>\$ 26,314,564</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,056,642	\$ 377,206
Accrued liabilities	190,193	172,417
Employee payroll deductions	-	1,500
Due to other funds	63,321	779,297
Due to retirement systems	2,521,459	2,454,400
Deposits payable	57,644	45,738
Total Liabilities	<u>3,889,259</u>	<u>3,830,558</u>
Fund balance		
Restricted	19,050,020	18,067,063
Assigned	3,819,398	2,169,944
Unassigned	2,351,931	2,246,999
Total Fund Balance	<u>25,221,349</u>	<u>22,484,006</u>
Total Liabilities and Fund Balance	<u>\$ 29,110,608</u>	<u>\$ 26,314,564</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

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

	2024				
	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 43,336,181	\$ 41,294,730	\$ 41,294,730	\$ -	\$ -
Other tax items	-	2,041,451	2,041,451	-	-
Non-property taxes	825,000	825,000	1,024,438	-	199,438
Charges for services	20,000	20,000	229,395	-	209,395
Use of money and property	275,000	275,000	1,267,926	-	992,926
Sale of property and compensation for loss	12,000	12,000	88,468	-	76,468
State aid	9,709,038	9,709,038	10,029,915	-	320,877
Federal aid	10,000	10,000	19,132	-	9,132
Miscellaneous	47,000	87,860	450,359	-	362,499
Total Revenues	54,234,219	54,275,079	56,445,814		2,170,735
EXPENDITURES					
Current					
General support					
Board of education	107,126	110,731	85,174	-	25,557
Central administration	363,944	364,397	349,431	-	14,966
Finance	873,435	918,400	890,907	12,329	15,164
Staff	671,944	628,740	554,375	-	74,365
Central services	5,754,129	5,849,070	4,215,675	798,215	835,180
Special items	656,934	694,364	689,327	-	5,037
Total General Support	8,427,512	8,565,702	6,784,889	810,544	970,269
Instruction					
Instruction, administration and improvement	2,133,967	2,156,396	1,934,923	2,382	219,091
Teaching - Regular school	15,445,156	15,437,898	14,951,429	6,142	480,327
Programs for students with disabilities	5,845,199	5,798,966	5,433,491	4,809	360,666
Occupational education	395,500	395,509	395,500	-	9
Teaching - Special schools	38,050	38,050	5,740	-	32,310
Instructional media	2,038,732	2,285,860	2,157,208	69,645	59,007
Pupil services	3,292,926	3,328,942	3,009,525	-	319,417
Total Instruction	29,189,530	29,441,621	27,887,816	82,978	1,470,827
Pupil transportation	3,103,093	3,102,895	2,607,998	8,750	486,147
Employee benefits	10,962,551	10,750,439	9,845,669	-	904,770
Debt service					
Principal	2,774,388	2,774,388	2,774,388	-	-
Interest	866,477	745,306	745,306	-	-
Total Expenditures	55,323,551	55,380,351	50,646,066	902,272	3,832,013
Excess (Deficiency) of Revenues Over Expenditures	(1,089,332)	(1,105,272)	5,799,748	(902,272)	6,002,748
OTHER FINANCING SOUCES (USES)					
Transfers in	-	389,389	389,389	-	-
Transfers out	(1,480,612)	(3,496,691)	(3,451,794)	-	44,897
Total Other Financing Uses	(1,480,612)	(3,107,302)	(3,062,405)	-	44,897
Net Change in Fund Balance	(2,569,944)	(4,212,574)	2,737,343	\$ (902,272)	\$ 6,047,645
FUND BALANCE					
Beginning of Year	2,569,944	4,212,574	22,484,006		
End of Year	\$ -	\$ -	\$ 25,221,349		

See independent auditors' report.

2023				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
\$ 39,894,078	\$ 39,894,078	\$ 39,894,078	\$	\$ -
2,327,264	2,327,264	2,326,628		(636)
600,000	600,000	981,482		381,482
20,000	20,000	103,170		83,170
37,000	37,003	839,053		802,050
3,500	3,500	17,454		13,954
7,557,123	7,557,123	7,526,848		(30,275)
-	-	21,250		21,250
46,000	46,000	96,476		50,476
<u>50,484,965</u>	<u>50,484,968</u>	<u>51,806,439</u>		<u>1,321,471</u>
135,126	150,504	142,425	-	8,079
363,054	357,940	341,269	-	16,671
734,105	754,541	719,734	-	34,807
666,540	677,942	531,146	4,260	142,536
4,779,178	4,897,415	4,184,013	489,380	224,022
639,768	626,686	610,861	-	15,825
<u>7,317,771</u>	<u>7,465,028</u>	<u>6,529,448</u>	<u>493,640</u>	<u>441,940</u>
1,893,811	1,927,094	1,885,459	-	41,635
14,464,133	14,594,511	14,146,841	26,017	421,653
5,779,421	5,747,210	5,362,683	4,773	379,754
459,049	459,049	459,049	-	-
58,050	50,167	13,725	-	36,442
2,016,736	2,043,615	1,851,277	103,323	89,015
3,230,930	3,248,464	2,790,654	1,032	456,778
<u>27,902,130</u>	<u>28,070,110</u>	<u>26,509,688</u>	<u>135,145</u>	<u>1,425,277</u>
2,874,545	2,898,265	2,609,755	395	288,115
10,337,531	10,008,008	9,474,812	-	533,196
2,724,165	2,724,165	2,724,165	-	-
682,183	682,183	682,183	-	-
<u>51,838,325</u>	<u>51,847,759</u>	<u>48,530,051</u>	<u>629,180</u>	<u>2,688,528</u>
<u>(1,353,360)</u>	<u>(1,362,791)</u>	<u>3,276,388</u>	<u>(629,180)</u>	<u>4,009,999</u>
-	70,841	70,837	-	(4)
<u>(1,523,369)</u>	<u>(2,547,650)</u>	<u>(2,527,446)</u>	<u>-</u>	<u>20,204</u>
<u>(1,523,369)</u>	<u>(2,476,809)</u>	<u>(2,456,609)</u>	<u>-</u>	<u>20,200</u>
<u>(2,876,729)</u>	<u>(3,839,600)</u>	<u>819,779</u>	<u>\$ (629,180)</u>	<u>\$ 4,030,199</u>
<u>2,876,729</u>	<u>3,839,600</u>	<u>21,664,227</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,484,006</u>		

Croton-Harmon Union Free School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 43,336,181	\$ 41,294,730	\$ 41,294,730	\$ -
OTHER TAX ITEMS				
School tax relief reimbursement	-	2,041,451	2,041,451	-
NON-PROPERTY TAXES				
Non-property tax distribution from County	825,000	825,000	1,024,438	199,438
CHARGES FOR SERVICES				
Day school tuition - Individuals	20,000	20,000	229,388	209,388
Other services for other districts and other governments	-	-	7	7
	20,000	20,000	229,395	209,395
USE OF MONEY AND PROPERTY				
Earnings on investments	250,000	250,000	1,223,493	973,493
Rental of real property	25,000	25,000	44,433	19,433
	275,000	275,000	1,267,926	992,926
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	12,000	12,000	33,084	21,084
Minor sales	-	-	55,384	55,384
	12,000	12,000	88,468	76,468

STATE AID

Basic formula	8,897,936	8,897,936	9,082,261	184,325
BOCES	671,596	671,596	808,146	136,550
Textbooks	93,433	93,433	93,433	-
Computer software	36,448	36,448	36,450	2
Library	9,625	9,625	9,625	-
	<u>9,709,038</u>	<u>9,709,038</u>	<u>10,029,915</u>	<u>320,877</u>

FEDERAL AID

Medicaid assistance	<u>10,000</u>	<u>10,000</u>	<u>19,132</u>	<u>9,132</u>
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MISCELLANEOUS

Refund of prior year's expenditures	47,000	47,000	400,062	353,062
Other	-	40,860	50,297	9,437
	<u>47,000</u>	<u>87,860</u>	<u>450,359</u>	<u>362,499</u>

TOTAL REVENUES

54,234,219	54,275,079	56,445,814	2,170,735
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OTHER FINANCING SOURCES

Transfers in				
Capital Projects Fund	<u>-</u>	<u>389,389</u>	<u>389,389</u>	<u>-</u>

**TOTAL REVENUES AND
OTHER FINANCING SOURCES**

<u>\$ 54,234,219</u>	<u>\$ 54,664,468</u>	<u>\$ 56,835,203</u>	<u>\$ 2,170,735</u>
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See independent auditors' report.

Croton-Harmon Union Free School District, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 43,405	\$ 49,260	\$ 36,625	\$ -	\$ 12,635
District clerk	63,721	61,471	48,549	-	12,922
Total Board of Education	107,126	110,731	85,174	-	25,557
CENTRAL ADMINISTRATION					
Chief school administrator	363,944	364,397	349,431	-	14,966
FINANCE					
Business administration	659,588	655,188	629,454	12,329	13,405
Auditing	72,750	101,750	101,750	-	-
Treasurer	118,640	117,190	115,681	-	1,509
Fiscal agent fees	22,457	44,272	44,022	-	250
Total Finance	873,435	918,400	890,907	12,329	15,164
STAFF					
Legal	220,925	180,610	147,896	-	32,714
Personnel	182,912	181,702	158,591	-	23,111
Records management officer	15,782	14,433	8,818	-	5,615
Public information and services	252,325	251,995	239,070	-	12,925
Total Staff	671,944	628,740	554,375	-	74,365

CENTRAL SERVICES					
Operation and maintenance of plant	5,588,250	5,676,101	4,061,103	798,215	816,783
Central printing and mailing	108,789	114,530	100,920	-	13,610
Central data processing	57,090	58,439	53,652	-	4,787
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Central Services	5,754,129	5,849,070	4,215,675	798,215	835,180
SPECIAL ITEMS					
Unallocated insurance	219,840	241,670	241,653	-	17
School association dues	18,000	18,675	18,350	-	325
Judgments and claims	-	20,000	20,000	-	-
Assessments of school property	65,000	65,000	60,306	-	4,694
Refunds of real property taxes	5,075	-	-	-	-
Administrative charge - BOCES	309,576	309,576	309,575	-	1
BOCES capital expenses	39,443	39,443	39,443	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Special Items	656,934	694,364	689,327	-	5,037
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Support	8,427,512	8,565,702	6,784,889	810,544	970,269
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	695,195	706,531	612,581	2,032	91,918
Building administration	1,438,772	1,449,865	1,322,342	350	127,173
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Instruction, Administration and Improvement	2,133,967	2,156,396	1,934,923	2,382	219,091
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TEACHING - REGULAR SCHOOL	15,445,156	15,437,898	14,951,429	6,142	480,327
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
PROGRAMS FOR STUDENTS WITH DISABILITIES	5,845,199	5,798,966	5,433,491	4,809	360,666
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
OCCUPATIONAL EDUCATION	395,500	395,509	395,500	-	9
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TEACHING - SPECIAL SCHOOLS	38,050	38,050	5,740	-	32,310
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

Croton-Harmon Union Free School District, New York

General Fund

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

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
INSTRUCTION (Continued)					
<i>INSTRUCTIONAL MEDIA</i>					
School library and audiovisual	\$ 527,279	\$ 526,761	\$ 491,557	\$ -	\$ 35,204
Educational television	25,377	25,377	2,134	-	23,243
Computer assisted instruction	1,486,076	1,733,722	1,663,517	69,645	560
Total Instructional Media	<u>2,038,732</u>	<u>2,285,860</u>	<u>2,157,208</u>	<u>69,645</u>	<u>59,007</u>
<i>PUPIL SERVICES</i>					
Guidance - Regular school	813,120	821,152	790,357	-	30,795
Health services - Regular school	378,059	377,393	332,149	-	45,244
Psychological services - Regular school	509,130	508,981	490,600	-	18,381
Social work services - Regular school	173,106	171,936	105,883	-	66,053
Co-curricular activities - Regular school	303,002	304,065	232,800	-	71,265
Interscholastic athletics - Regular school	1,116,509	1,145,415	1,057,736	-	87,679
Total Pupil Services	<u>3,292,926</u>	<u>3,328,942</u>	<u>3,009,525</u>	<u>-</u>	<u>319,417</u>
Total Instruction	<u>29,189,530</u>	<u>29,441,621</u>	<u>27,887,816</u>	<u>82,978</u>	<u>1,470,827</u>
<i>PUPIL TRANSPORTATION</i>					
District transportation services	3,002,593	3,001,411	2,539,109	8,750	453,552
Building	100,500	101,484	68,889	-	32,595
Total Pupil Transportation	<u>3,103,093</u>	<u>3,102,895</u>	<u>2,607,998</u>	<u>8,750</u>	<u>486,147</u>

EMPLOYEE BENEFITS

State retirement	835,000	835,000	823,304	-	11,696
Teachers' retirement	2,250,000	2,250,000	2,027,098	-	222,902
Social security	2,362,100	2,362,100	2,111,453	-	250,647
Life insurance	15,000	15,000	9,708	-	5,292
Hospital, medical and dental insurance	4,599,129	4,386,072	4,080,186	-	305,886
Workers' compensation	221,871	221,871	216,650	-	5,221
Unemployment benefits	41,000	41,000	8,213	-	32,787
Disability insurance	5,125	5,125	1,148	-	3,977
Union welfare benefits	266,810	267,755	267,755	-	-
Other	366,516	366,516	300,154	-	66,362
	<u>10,962,551</u>	<u>10,750,439</u>	<u>9,845,669</u>	<u>-</u>	<u>904,770</u>

DEBT SERVICE

Principal					
Bonds	2,255,000	2,255,000	2,255,000	-	-
Energy performance contract	519,388	519,388	519,388	-	-
	<u>2,774,388</u>	<u>2,774,388</u>	<u>2,774,388</u>	<u>-</u>	<u>-</u>
Interest					
Bonds	447,150	447,150	447,150	-	-
Bonds anticipation notes	342,281	221,110	221,110	-	-
Energy performance contract	77,046	77,046	77,046	-	-
	<u>866,477</u>	<u>745,306</u>	<u>745,306</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>3,640,865</u>	<u>3,519,694</u>	<u>3,519,694</u>	<u>-</u>	<u>-</u>

TOTAL EXPENDITURES

<u>55,323,551</u>	<u>55,380,351</u>	<u>50,646,066</u>	<u>902,272</u>	<u>3,832,013</u>
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OTHER FINANCING USES

Transfers out					
Capital Projects Fund	1,370,612	3,261,691	3,261,691	-	-
Special Aid Fund	80,000	80,000	35,103	-	44,897
School Lunch Fund	30,000	155,000	155,000	-	-
	<u>1,480,612</u>	<u>3,496,691</u>	<u>3,451,794</u>	<u>-</u>	<u>44,897</u>

TOTAL EXPENDITURES AND OTHER FINANCING USES

<u>\$ 56,804,163</u>	<u>\$ 58,877,042</u>	<u>\$ 54,097,860</u>	<u>\$ 902,272</u>	<u>\$ 3,876,910</u>
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See independent auditors' report.

Croton-Harmon Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and equivalents	\$ -	\$ 616
Receivables		
Accounts	5,937	1,090
State and Federal aid receivable	<u>521,524</u>	<u>473,706</u>
 Total Assets	 <u>\$ 527,461</u>	 <u>\$ 475,412</u>
 LIABILITIES		
Accounts payable	\$ 48,583	\$ 47,774
Accrued liabilities	1,717	623
Due to other funds	457,487	404,046
Unearned revenues	<u>19,674</u>	<u>22,969</u>
 Total Liabilities	 <u>\$ 527,461</u>	 <u>\$ 475,412</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New YorkSpecial Aid Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2024</u>	<u>2023</u>
REVENUES		
State aid	\$ 240,840	\$ 351,442
Federal aid	842,211	876,060
Miscellaneous	81,152	14,389
	<u>1,164,203</u>	<u>1,241,891</u>
EXPENDITURES		
Current		
Instruction	1,129,950	1,220,865
Pupil transportation	68,543	53,100
Employee benefits	813	27,724
	<u>1,199,306</u>	<u>1,301,689</u>
Deficiency of Revenues Over Expenditures	(35,103)	(59,798)
OTHER FINANCING SOURCES		
Transfers in	35,103	59,797
Transfers out	-	(70,837)
	<u>35,103</u>	<u>(11,040)</u>
Net Change in Fund Balance	-	(70,838)
FUND BALANCE		
Beginning of Year	-	70,838
End of Year	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Capital Projects Fund
 Comparative Balance Sheet
 June 30,

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and equivalents	\$ 26,114,317	\$ 387,246
State and Federal aid receivable	6,988	-
Due from other funds	<u>63,321</u>	<u>779,297</u>
Total Assets	<u><u>\$ 26,184,626</u></u>	<u><u>\$ 1,166,543</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,036,248	\$ 433,736
Bond anticipation notes payable	27,898,845	551,563
Due to other funds	<u>48,504</u>	<u>30,469</u>
Total Liabilities	28,983,597	1,015,768
Fund balance		
Restricted	-	150,775
Unassigned	<u>(2,798,971)</u>	<u>-</u>
Total Fund Balance (Deficit)	<u>(2,798,971)</u>	<u>150,775</u>
Total Liabilities and Fund Balance (Deficit)	<u><u>\$ 26,184,626</u></u>	<u><u>\$ 1,166,543</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New YorkCapital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2024</u>	<u>2023</u>
REVENUES		
State aid	\$ 6,988	\$ -
EXPENDITURES		
Capital outlay	<u>5,828,964</u>	<u>1,722,102</u>
Deficiency of Revenues Over Expenditures	(5,821,976)	(1,722,102)
OTHER FINANCING SOURCES (USES)		
Transfers in	3,261,691	2,437,649
Transfers out	<u>(389,461)</u>	<u>-</u>
Total Other Financing Sources	<u>2,872,230</u>	<u>2,437,649</u>
Net Change in Fund Balance	(2,949,746)	715,547
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>150,775</u>	<u>(564,772)</u>
End of Year	<u><u>\$ (2,798,971)</u></u>	<u><u>\$ 150,775</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through June 30, 2024

PROJECT	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
Science Labs	\$ 797,947	\$ 787,872	\$ 10,075	\$ 797,947	\$ -
Rood Projects Related Asbestos	3,588,142	3,212,988	375,154	3,588,142	-
2018-2020 Building Improvements	20,820,000	20,325,714	-	20,325,714	494,286
Kitchens, Drainage and Phone Upgrades					
Phone Upgrade	339,990	339,990	-	339,990	-
Kitchens	1,412,645	1,412,645	-	1,412,645	-
Drainage	1,247,365	72,242	1,175,123	1,247,365	-
Total Kitchens, Drainage and Phone Upgrades	3,000,000	1,824,877	1,175,123	3,000,000	-
2022 Building Improvements					
District-Wide Roofing	4,887,000	256,745	2,445,247	2,701,992	2,185,008
District-Wide Security	10,393,500	122,860	575,384	698,244	9,695,256
District-Wide Improvements	30,219,500	367,723	1,422,540	1,790,263	28,429,237
Total 2022 Building Improvements	45,500,000	747,328	4,443,171	5,190,499	40,309,501
18-19 Bus Purchases	290,513	290,513	-	290,513	-
19-20 Bus Purchases	265,000	264,928	72	265,000	-
20-21 Bus Purchases	238,078	238,078	-	238,078	-
21-22 Bus Purchases/Charging Stations	252,461	252,461	-	252,461	-
22-23 Bus Purchases	379,925	379,925	-	379,925	-
23-24 Electric Bus and Charger Station	471,000	-	-	-	471,000
23-24 Bus Purchase	98,900	-	98,900	98,900	-
23-24 Plug-in Hybrid SUV	75,900	-	75,900	75,900	-
23-24 (2) Low-speed Electric Utility Vehicles	38,000	-	33,042	33,042	4,958
24-25 Electric Vehicle Bus	495,000	-	-	-	495,000
24-25 Repairs and Maintenance Lift	75,000	-	-	-	75,000
24-25 Bus Purchases	320,000	-	-	-	320,000
Smart School	346,118	331,431	6,988	338,419	7,699
Totals	\$ 77,051,984	\$ 28,656,115	\$ 6,218,425	\$ 34,874,540	\$ 42,177,444

See independent auditors' report.

Proceeds of Obligations	Methods of Financing			Fund Balance (Deficit) at June 30, 2024	Bond Anticipation Notes June 30, 2024
	Transfers In	Other	Total		
\$ -	\$ -	\$ 797,947	\$ 797,947	\$ -	\$ -
-	-	3,588,142	3,588,142	-	-
15,620,000	-	5,200,000	20,820,000	494,286	-
-	339,990	-	339,990	-	-
-	1,412,645	-	1,412,645	-	-
-	1,247,365	-	1,247,365	-	-
-	3,000,000	-	3,000,000	-	-
1,326,049	-	-	1,326,049	(1,375,943)	1,375,943
-	-	-	-	(698,244)	698,244
-	971,129	-	971,129	(819,134)	25,099,764
1,326,049	971,129	-	2,297,178	(2,893,321)	27,173,951
290,513	-	-	290,513	-	-
212,000	-	-	212,000	(53,000)	53,000
135,000	-	13,078	148,078	(90,000)	90,000
50,492	-	-	50,492	(201,969)	201,969
-	-	-	-	(379,925)	379,925
-	-	-	-	-	-
-	98,900	-	98,900	-	th
-	75,900	-	75,900	-	-
-	38,000	-	38,000	4,958	-
-	-	-	-	-	-
-	-	-	-	-	-
-	320,000	-	320,000	320,000	-
-	-	338,419	338,419	-	-
<u>\$ 17,634,054</u>	<u>\$ 4,503,929</u>	<u>\$ 9,937,586</u>	<u>\$ 32,075,569</u>	<u>\$ (2,798,971)</u>	<u>\$ 27,898,845</u>

Croton-Harmon Union Free School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2024
 (With Comparative Totals for 2023)

	School Lunch	Miscellaneous Special Revenue Fund	Debt Service
ASSETS			
Cash and equivalents	\$ 195,951	\$ 204,031	\$ 377,550
Receivables			
State and Federal aid receivable	11,618	-	-
Due from other funds	-	-	48,504
	<u>11,618</u>	<u>-</u>	<u>48,504</u>
Inventories	<u>7,524</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 215,093</u>	<u>\$ 204,031</u>	<u>\$ 426,054</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 46,578	\$	\$ -
Accrued liabilities	283	-	-
Due to other governments	92	821	-
Unearned revenues	110,200	-	-
Total Liabilities	<u>157,153</u>	<u>821</u>	<u>-</u>
Fund balances			
Nonspendable	7,524	-	-
Restricted	-	203,210	426,054
Assigned	<u>50,416</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>57,940</u>	<u>203,210</u>	<u>426,054</u>
Total Liabilities and Fund Balances	<u>\$ 215,093</u>	<u>\$ 204,031</u>	<u>\$ 426,054</u>

See independent auditors' report.

Total Non-Major
Governmental Funds

2024	2023
\$ 777,532	\$ 553,819
11,618	13,451
48,504	2,783
60,122	16,234
7,524	10,200
<u>\$ 845,178</u>	<u>\$ 580,253</u>
\$ 46,578	\$ 40,377
283	-
913	902
110,200	83,276
157,974	124,555
7,524	10,200
629,264	434,693
50,416	10,805
687,204	455,698
<u>\$ 845,178</u>	<u>\$ 580,253</u>

Croton-Harmon Union Free School District, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Years Ended June 30, 2024
 (With Comparative Totals for 2023)

	School Lunch	Miscellaneous Special Revenue Fund	Debt Service
REVENUES			
Use of money and property	\$ -	\$ 1,127	\$ 51,849
State aid	8,216	-	-
Federal aid	222,092	-	-
Food sales	590,690	-	-
Miscellaneous	-	181,928	125,544
Total Revenues	<u>820,998</u>	<u>183,055</u>	<u>177,393</u>
EXPENDITURES			
Current			
Cost of food sales	939,063	-	-
Other	-	165,949	-
Total Expenditures	<u>939,063</u>	<u>165,949</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(118,065)	17,106	177,393
OTHER FINANCING SOURCES			
Transfers in	<u>155,000</u>	<u>-</u>	<u>72</u>
Net Change in Fund Balances	36,935	17,106	177,465
FUND BALANCES			
Beginning of Year	<u>21,005</u>	<u>186,104</u>	<u>248,589</u>
End of Year	<u><u>\$ 57,940</u></u>	<u><u>\$ 203,210</u></u>	<u><u>\$ 426,054</u></u>

See independent auditors' report.

Total Non-Major
Governmental Funds

2024	2023
\$ 52,976	\$ 4,371
8,216	6,784
222,092	205,869
590,690	541,888
307,472	238,591
1,181,446	997,503
939,063	793,415
165,949	83,866
1,105,012	877,281
76,434	120,222
155,072	30,000
231,506	150,222
455,698	305,476
\$ 687,204	\$ 455,698

Croton-Harmon Union Free School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and equivalents	\$ 195,951	\$ 121,122
State and Federal aid receivable	11,618	13,451
Inventories	<u>7,524</u>	<u>10,200</u>
Total Assets	<u><u>\$ 215,093</u></u>	<u><u>\$ 144,773</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 46,578	\$ 40,377
Accrued liabilities	283	-
Due to other governments	92	115
Unearned revenues	<u>110,200</u>	<u>83,276</u>
Total Liabilities	<u>157,153</u>	<u>123,768</u>
Fund balance		
Nonspendable	7,524	10,200
Assigned	<u>50,416</u>	<u>10,805</u>
Total Fund Balance	<u>57,940</u>	<u>21,005</u>
Total Liabilities and Fund Balance	<u><u>\$ 215,093</u></u>	<u><u>\$ 144,773</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

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

	<u>2024</u>	<u>2023</u>
REVENUES		
State aid	\$ 8,216	\$ 6,784
Federal aid	222,092	205,869
Food sales	590,690	541,888
Miscellaneous	-	15
	<hr/>	<hr/>
Total Revenues	820,998	754,556
EXPENDITURES		
Current		
Cost of food sales	<hr/> 939,063	<hr/> 793,415
Deficiency of Revenues Over Expenditures	(118,065)	(38,859)
OTHER FINANCING SOURCES		
Transfers in	<hr/> 155,000	<hr/> 30,000
Net Change in Fund Balance	36,935	(8,859)
FUND BALANCE		
Beginning of Year	<hr/> 21,005	<hr/> 29,864
End of Year	<hr/> <u>\$ 57,940</u>	<hr/> <u>\$ 21,005</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Miscellaneous Special Revenue Fund
Comparative Balance Sheet
June 30,

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and equivalents	<u>\$ 204,031</u>	<u>\$ 186,891</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other governments	\$ 821	\$ 787
Fund balance		
Restricted	<u>203,210</u>	<u>186,104</u>
Total Liabilities and Fund Balance	<u>\$ 204,031</u>	<u>\$ 186,891</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

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

	<u>2024</u>	<u>2023</u>
REVENUES		
Use of money and property	\$ 1,127	\$ 586
Miscellaneous	<u>181,928</u>	<u>94,768</u>
Total Revenues	<u>183,055</u>	<u>95,354</u>
EXPENDITURES		
Current		
Other	<u>165,949</u>	<u>83,866</u>
Excess of Revenues Over Expenditures	17,106	11,488
FUND BALANCE		
Beginning of Year	<u>186,104</u>	<u>174,616</u>
End of Year	<u><u>\$ 203,210</u></u>	<u><u>\$ 186,104</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and equivalents	\$ 377,550	\$ 245,806
Due from other funds	<u>48,504</u>	<u>2,783</u>
Total Assets	<u>\$ 426,054</u>	<u>\$ 248,589</u>
FUND BALANCE		
Restricted	<u>\$ 426,054</u>	<u>\$ 248,589</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

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

	<u>2024</u>	<u>2023</u>
REVENUES		
Use of money and property	\$ 51,849	\$ 3,785
Miscellaneous	<u>125,544</u>	<u>143,808</u>
Total Revenues	177,393	147,593
OTHER FINANCING SOURCES		
Transfers in	<u>72</u>	<u>-</u>
Net Change in Fund Balance	177,465	147,593
FUND BALANCE		
Beginning of Year	<u>248,589</u>	<u>100,996</u>
End of Year	<u><u>\$ 426,054</u></u>	<u><u>\$ 248,589</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

General Fund
Analysis of Change from Adopted Budget to Final Budget
Year Ended June 30, 2024

Adopted Budget	\$ 56,174,983
Additions - Encumbrances	<u>629,180</u>
Original Budget	56,804,163
Budget Amendments	<u>2,072,879</u>
Final Budget	<u><u>\$ 58,877,042</u></u>

General Fund
Section 1318 of Real Property Tax Law Limit Calculation

2024-25 Expenditure Budget	\$ <u>58,798,307</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 3,819,398
Unassigned fund balance	<u>2,351,931</u>
Total Unrestricted Fund Balance	<u>6,171,329</u>
Less	
Appropriated for subsequent year's budget	2,917,126
Encumbrances	<u>902,272</u>
Total Adjustments	<u>3,819,398</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,351,931</u></u>
Actual Percentage	<u><u>4.00%</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Schedule of Net Investment in Capital Assets

Year Ended June 30, 2024

Capital Assets, net		\$ 71,774,510
Less		
General obligation bonds payable - Capital construction	\$ (7,250,000)	
Energy performance contract payable	(3,657,166)	
Bond anticipation notes payable	(27,898,845)	
Accounts payable	(1,036,248)	
Unamortized portion of issuance premium on bonds	<u>(1,970,113)</u>	(41,812,372)
Plus		
Unexpended bond proceeds		<u>25,316,878</u>
Net Investment in Capital Assets		<u>\$ 55,279,016</u>

See independent auditors' report.

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

Independent Auditors' Report

**The Board of Education of the
Croton-Harmon Union Free School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Croton-Harmon Union Free School District, New York ("School District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 10, 2024.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 10, 2024



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

Independent Auditors' Report

**The Board of Education of the
Croton-Harmon Union Free School District, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Croton-Harmon Union Free School District, New York's ("School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2024. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 10, 2024

Croton-Harmon Union Free School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- Recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
National School Lunch Program - Commodities	10.555	N/A	\$ -	\$ 17,638
National School Lunch Program - Cash	10.555	N/A	-	164,454
Subtotal Child Nutrition Cluster			-	182,092
ARPA Child Nutrition Equipment Assistance Grants	10.579	N/A	-	40,000
Total U.S. Department of Agriculture			-	222,092
<u>U.S. Department of Education</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	84.027	0032-24-1045	-	335,683
Special Education - Preschool Grants	84.173	0033-24-1045	-	5,250
Subtotal Special Education Cluster			-	340,933
Title I Grants to Local Educational Agencies	84.010	021-23-3610	-	308
Title I Grants to Local Educational Agencies	84.010	021-24-3610	-	50,776
			-	51,084
English Language Acquisition State Grants	84.365	0293-24-3735	-	4,847
Supporting Effective Instruction State Grants	84.367	0147-24-3610	-	19,437
Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-3610	-	85,900
Elementary and Secondary School Emergency Relief (CRSSA ESSER)	84.425D	5891-21-3610	-	155,328
Elementary and Secondary School Emergency Relief UPK Expansion Funding	84.425U	5870-24-9067	-	184,682
			-	425,910
Total U.S. Department of Education			-	842,211
Total Expenditures of Federal Awards			\$ -	\$ 1,064,303

N/A - Information not available

The accompanying notes are an integral part of this schedule.

Croton-Harmon Union Free School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Croton-Harmon Union Free School District, New York ("School District") under programs of the federal government for the year ended June 30, 2024. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

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

Croton-Harmon Union Free School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Yes No
 Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

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

Yes No
 Yes None reported

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

Unmodified

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

Yes No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

10.555	Child Nutrition Cluster - National School Lunch Program – Commodities
10.555	National School Lunch Program – Cash
10.579	ARPA Child Nutrition Equipment Assistance Grants

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

\$750,000

Auditee qualified as low risk auditee?

Yes No

Croton-Harmon Union Free School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2024

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None