

Harrison Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2024

Harrison Central School District, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
District-wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of Governmental Funds Balance Sheet to the District-Wide	
Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual - General Fund	25
Fiduciary Fund	
Statement of Fiduciary Net Position	26
Statement of Changes in Fiduciary Net Position	27
Notes to Financial Statements	28
Required Supplementary Information	
Other Postemployment Benefits	
Schedule of Changes in the School Districts' Total OPEB Liability and Related Ratios	57
New York State Teachers' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	59
Schedule of Contributions	59
New York State and Local Employees' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	61
Schedule of Contributions	61
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	63
Schedule of Revenues Compared to Budget	64
Schedule of Expenditures and Other Financing Uses Compared to Budget	66
Capital Projects Fund	
Project Length Schedule	70
Non-Major Governmental Funds	
Combining Balance Sheet	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	73

Harrison Central School District, New York

Table of Contents (Concluded)

	<u>Page No.</u>
Supplementary Information	
Analysis of Change from Adopted Budget to Final Budget	74
Section 1318 of Real Property Tax Law Limit Calculation	74
Schedule of Net Investment in Capital Assets	75
Federal Programs	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	76
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	78
Schedule of Expenditures of Federal Awards	81
Notes to Schedule of Expenditures of Federal Awards	82
Schedule of Findings and Questioned Costs	83



Independent Auditors' Report

**The Board of Education of the
Harrison Central 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 Harrison Central 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 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 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 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* 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 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 2, 2024

(This page intentionally left blank)

Harrison Central School District, New York

Management's Discussion and Analysis June 30, 2024

The following is a discussion and analysis of the Harrison Central School District's ("School District") financial performance for the fiscal year ended June 30, 2024. This section, which is introductory only, is a summary of the School District's financial activities based on currently known facts, decisions, or conditions, inclusive of both the district-wide and fund-based financial statements. The complete information is included in the School District's basic financial statements, which immediately follow this section.

School District Overview

The School District was established as a centralized school district in 1969 and is situated in the Town/Village of Harrison in the southern portion of Westchester County, New York. The School District is a 22 square mile community, approximately twenty minutes northeast of New York City and due west of the Long Island Sound. The School District includes all of the Town/Village of Harrison and minor portions of the towns of North Castle and Rye. The latest data available indicates that the Town/Village of Harrison has a population of 30,780 with a per capita income of \$76,274 and an unemployment rate of 3.7%.

The School District employs approximately 680 full and part-time professional and support staff. These employees are organized into four collective bargaining units (Teaching Staff, Support Staff, Teacher/School Aides and Assistants and Administrators). On June 12, 2024, the School District's Board of Education approved successor bargaining agreements with the Teacher/School Aides and Teaching Assistants Association as well as the Harrison Administrators' Association, covering the period of July 1, 2024 - June 30, 2027. With the signing of these latest two agreements, all four of the School District's bargaining units have unexpired contracts as represented below:

CSEA Harrison Unit ("CSEA") – July 1, 2022 – June 30, 2026

Harrison Teacher/School Aide and Teaching Assistants Unit – July 1, 2024 – June 30, 2027

Harrison Administrators' Association ("HAA") – July 1, 2024 – June 30, 2027

Harrison Association of Teachers (HAT) – July 1, 2023 – June 30, 2026

The Board of Education proposed a 2024-2025 school budget in the amount of \$141,556,140, which included a tax levy increase of 4.49%. The levy increase of 4.49% was above the tax levy limit of 3.13%. This was the first time since the New York State Property Tax Cap legislation was established in 2012 that the Board of Education proposed a budget that exceeded the tax levy limit. School District voters passed the 2024-2025 budget with a total of 1,129 yes votes and 555 no votes, translating into 67% of the total community participants voting in the affirmative. This approval highlights the community's commitment to investing in education, recognizing the importance of funding for critical resources like teacher salaries, student programs, and infrastructure improvements. The positive response from residents, parents, and local organizations reflects a shared belief in the value of a well-funded school system that can provide quality education and support the growth and development of students. This collective backing also underscores a broader community effort to prioritize education as a cornerstone for future success, even in the midst of challenging economic conditions. The School District enjoys the third lowest tax rate on true value of all Westchester County school districts at \$12.18 per thousand of assessed value.

Financial Highlights

Key financial highlights for fiscal year 2024 are as follows:

- The General Fund's total fund balance, as reflected in the fund financial statements, increased by \$908,504 to a total fund balance of \$36,402,483.
- 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, the unassigned fund balance of the General Fund was \$5,662,245, or 4% of the 2024-2025 adopted budget.
- Each year, the School District receives new claims relating to tax certiorari challenges to assessment levels, as established by the Town of Harrison Assessor. Total restricted funds for potential tax certiorari claims of \$9,937,404 in the General Fund at June 30, 2024 are below the six year average of \$12,280,384.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at June 30, 2024 by \$164,308,264 (deficit net position), a decrease of \$3,551,970 from the deficit net position of \$167,860,234 for the year ended June 30, 2023. This deficit net position is primarily the result of the School District's implementation of the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*. This statement addressed accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identified the methods and assumptions that were required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. Since no mechanism exists under current New York State law for New York municipalities and school districts to pre-fund these obligations in an irrevocable trust, entities such as the School District are required to report their *total* OPEB liability (as opposed to the *net* OPEB liability that had been reported under a prior standard). For the year ending June 30, 2024, the School District's OPEB liability of \$207,279,040 is reflected as a liability on the district-wide Statement of Net Position and, thus, negatively impacts the total net position calculation. More detailed information about the School District's OPEB liabilities reported in accordance with the provisions of GASB Statement No. 75 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 non-current liabilities reported in its Statement of Net Position includes a liability for its proportionate share of the ERS net pension liability in the amount of \$4,574,411 and a liability in the amount of \$3,634,054 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 retired \$1,150,000 in outstanding bonded indebtedness and \$351,639 in energy performance contract debt during the year ended June 30, 2024. More detailed information regarding this debt is presented in Note 3E in the notes to financial statements.

Overview of the Financial Statements

This annual report consists of four parts - management's discussion and analysis (*this section*), the basic financial statements, fund financial statements and schedules, and supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements and notes to financial statements.

The District-Wide Financial Statements

The district-wide financial statements are organized to provide an understanding of the fiscal performance of the School District as a whole in a manner similar to a private sector business. There are two district-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the School District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

Statement of Net Position

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. Increases or decreases in net position may serve over time as a useful indicator of whether the financial position of the School District is improving or deteriorating.

Statement of Activities

The statement of activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

The Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, not the School District as a whole. 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 also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the School District are reported in the *governmental funds* and the *fiduciary funds*.

These governmental funds statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of expendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of 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, you may better understand the long-term impact of the School District's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains five (5) individual governmental funds: General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid and Capital Projects funds, since the School District has elected to report them as major funds. Combining information for the other two non-major funds can be found elsewhere in this report.

The School District adopts an annual budget for the General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District on behalf of others. All of the School District's fiduciary activities are reported in a separate Custodial Fund. The fiduciary activities have been excluded from the School District's district-wide financial statements because the School District cannot use these assets to finance its operations.

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.

Financial Analysis of the School District as a Whole

Net Position

The School District's total net position increased by \$3,551,970 between fiscal year 2023 and 2024. A summary of the School District's Statement of Net Position for June 30, 2024 and 2023 is as follows:

	June 30,		Increase	Percentage
	2024	2023	(Decrease)	Change
Current Assets	\$ 51,440,457	\$ 51,703,889	\$ (263,432)	(0.51) %
Capital Assets, net	92,651,927	91,688,990	962,937	1.05
Total Assets	144,092,384	143,392,879	699,505	0.49
Deferred Outflows of Resources	51,958,301	69,531,575	(17,573,274)	(25.27)
Current Liabilities	14,403,252	14,706,236	(302,984)	(2.06)
Long-term Liabilities	264,042,559	273,187,437	(9,144,878)	(3.35)
Total Liabilities	278,445,811	287,893,673	(9,447,862)	(3.28)
Deferred Inflows of Resources	81,913,138	92,891,015	(10,977,877)	(11.82)
Net Position				
Net Investment in Capital Assets	47,035,886	44,571,310	2,464,576	5.53
Restricted	26,551,038	24,565,710	1,985,328	8.08
Unrestricted	(237,895,188)	(236,997,254)	(897,934)	0.38
Total Net Position	\$ (164,308,264)	\$ (167,860,234)	\$ 3,551,970	(2.12) %

Total assets increased by \$699,505. Current assets decreased by \$263,432. This was offset by an increase in Capital Assets, Net of \$962,937, based on capital project activity, which accounted for the increase to total assets.

Long-term liabilities, which consist primarily of general obligation bonds, energy performance contract debt, and OPEB and pension liabilities decreased by \$9,144,878 from the previous year. The OPEB liability decreased by \$2,364,712 primarily due to an increase in the discount rate. The ERS and TRS net pension liabilities decreased by \$4,857,768 due to strong returns on pension investments. The School District retired \$1,150,000 and \$351,639 in previously issued bonded indebtedness and energy performance contract debt, respectively.

The net investment in capital assets relates to the investment in capital assets at cost such as land, buildings and improvements and machinery and equipment, net of depreciation, less any related outstanding debt used to acquire those assets. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. This amount has increased from the prior year by \$2,464,576 and consists of a combination of the retirement of debt and additional capital assets as a result of improvements to buildings.

The restricted net position in the amount of \$26,551,038 relates to the School District's restrictions for capital projects, tax certiorari obligations, retirement contributions, property loss, liability, insurance, future capital projects, debt service and special purposes.

While overall net position improved, the unrestricted net position has decreased by \$897,934 for a variety of reasons, the most significant of which are attributable to an increase in restricted net position of \$1,985,328. This increase is primarily attributable to \$2,694,257 more for future capital projects, \$283,239 more for tax certiorari claims and the establishment of an insurance restriction for \$250,162. These increases are partially offset by a decrease in the ERS retirement contributions restriction of \$875,000.

Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. A summary of this statement for the years ended June 30, 2024 and 2023 is as follows:

	2023-24	2022-23	Increase (Decrease)	Percentage Change
REVENUES				
Program revenues				
Charges for services	\$ 1,696,853	\$ 1,636,862	\$ 59,991	3.67 %
Operating grants and contributions	6,112,106	7,779,100	(1,666,994)	(21.43)
Capital grants and contributions	56,035	4,116	51,919	1,261.39
Total Program Revenues	7,864,994	9,420,078	(1,555,084)	(16.51)
General revenues				
Real property taxes	116,366,833	113,901,777	2,465,056	2.16
Other tax items	2,711,108	1,234,532	1,476,576	119.61
Unrestricted intergovernmental revenues				
School tax relief reimbursement	2,035,971	2,416,518	(380,547)	(15.75)
Non-property tax distribution from County	2,997,729	2,882,644	115,085	3.99
Unrestricted use of money and property	1,866,723	1,550,373	316,350	20.40
Sale of property and compensation for loss	30,023	11,283	18,740	166.09
Unrestricted State aid	6,050,184	5,384,160	666,024	12.37
Miscellaneous	815,822	768,954	46,868	6.10
Total General Revenues	132,874,393	128,150,241	4,724,152	3.69
Total Revenues	140,739,387	137,570,319	3,169,068	2.30
PROGRAM EXPENSES				
General support	18,858,324	20,874,380	(2,016,056)	(9.66)
Instruction	106,091,805	100,690,675	5,401,130	5.36
Pupil transportation	8,719,432	7,461,366	1,258,066	16.86
Cost of food sales	1,796,368	1,804,943	(8,575)	(0.48)
Other	228,112	207,218	20,894	10.08
Interest	1,493,376	1,542,408	(49,032)	(3.18)
Total Expenses	137,187,417	132,580,990	4,606,427	3.47
Change in Net Position	3,551,970	4,989,329	\$ (1,437,359)	
NET POSITION				
Beginning	(167,860,234)	(172,849,563)		
Ending	\$ (164,308,264)	\$ (167,860,234)		

The following are the major changes in Net Position:

Revenues:

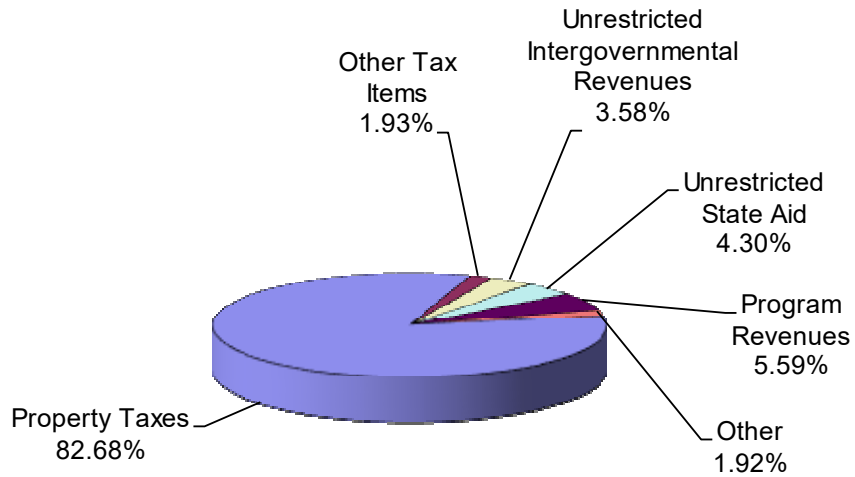
- Real property taxes, not including STAR exemptions, increased by \$2,465,056 or 2.16%. The current property tax increase is attributed to projected increased expenses related to instructional programs. It is also a result of the continuing decrease in STAR (see below). The School District relies upon real property taxes as its primary source of revenue.
- Other tax items represent revenues from Payments in Lieu of Tax ("PILOT") agreements. In the current year, a new PILOT agreement with Morgan Stanley commenced, resulting in an increase in PILOT revenue of \$1,476,576 compared to the prior year.
- Unrestricted intergovernmental revenues 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 \$380,547 during the 2023-2024 fiscal year. This category also includes the non-property tax distribution from Westchester County (i.e. sales tax), which increased by \$115,085 or 3.99%.
- Unrestricted use of money and property increased by \$316,350 or 20.4%. Interest income, due to higher interest rates, was the main cause for continued escalation of that revenue stream.
- Operating grants and contributions decreased by \$1,666,994 primarily due to previous year receipt of pandemic era federal assistance under the American Rescue Plan and CARES Act funding. These one-time funds are paid to the School District periodically at the time of formal request through the State's reimbursement process.
- Unrestricted State aid increased by \$666,024, or 12.4%, as a result of increases in BOCES aid, excess cost aid and transportation aid.

Expenses:

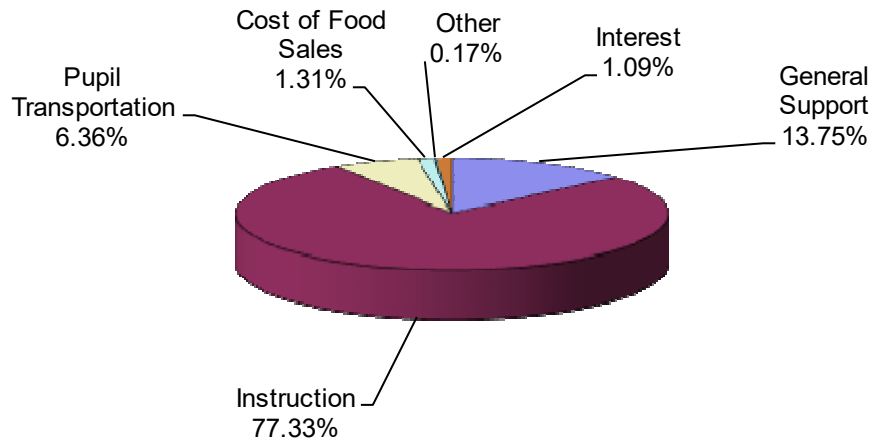
- General Support expenses decreased by \$2,016,056, due primarily to the reduction of Board approved tax certiorari payments from the previous year.
- Instructional program expenses increased by \$5,401,130 from the prior year. This is primarily the result of increases to instructional salaries and associated employee benefits.
- Pupil transportation expenses increased by \$1,258,066, or 16.9%. The School District conducted a formal request for proposal process for a four-year period, beginning in the 2023/2024 fiscal year. The daily transportation rate in year one (1) of the contract increased by 21%. Future increases will be significantly less and projected to be 5% each year for the remaining three years.

As indicated on the pie charts that follow, real property taxes and unrestricted intergovernmental revenues (comprised of school tax relief reimbursement and non-property tax distribution from County) are the largest components of revenues recognized. Instructional expenses are the largest category of expenses incurred.

Sources of Revenue for Fiscal Year 2023-24 Governmental Activities



Expenses for Fiscal Year 2023-24 Governmental Activities



Financial Analysis of the School District's Fund Balances

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

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 School District's net resources available for spending at the end of the fiscal year.

At June 30, 2024, the School District's governmental funds, excluding the Capital Projects Fund, reported a combined fund balance of \$37,535,474, representing an increase of \$883,424 over the prior year. The School District continues to recognize savings through efficiencies by reducing its reliance on the use of outside contractors and utilizes its trained in-house crews to perform much of the work that is contracted to outside vendors in most school districts. This model not only saves taxpayers' dollars, but provides the School District with greater control over the project. This, combined with stringent fiscal oversight and monitoring, has led to further recognized district-wide savings.

The revenue side of the budget concluded with a favorable variance in the amount of \$3,078,428, or 2.3%. While significant, the vast majority of the variance is driven by three revenue categories: Sales tax payments from Westchester County (+\$197,729), earnings on investments (+\$2,135,721), state aid mostly from BOCES (+319,610). In total, these three positive variances account for 86% of the total variance. Other positive variances include refunds from prior years (+\$222,194) and various fees and tuition payments from other districts.

The fund balance in the Capital Projects Fund decreased by \$857,632 during the fiscal year. This is due to expenditures incurred for projects to be funded in the \$79,530,000 bond authorization approved in November 2023, while revenues from the issuance of the bond have not been received yet. The School District has funded its capital program during the past several years solely from budgetary appropriations from the General Fund, rather than through borrowings.

A summary of the change in fund balance by fund is as follows:

	2023-24	2022-23	Changes
General Fund			
Nonspendable - Prepaid expenditures	\$ 15,603	\$ -	\$ 15,603
Restricted			
Tax certiorari	9,937,404	10,027,500	(90,096)
Employee benefit accrued liability	727,655	776,583	(48,928)
Employee benefit accrue liability - for subsequent year's expenditures	125,000	125,000	-
ERS retirement contributions	5,500,000	6,375,000	(875,000)
ERS retirement contributions - for subsequent year's expenditures	875,000	875,000	-
TRS retirement contributions	4,000,000	4,308,991	(308,991)
TRS retirement contributions - for subsequent year's expenditures	382,334	-	382,334
Property loss and liability	22,243	22,243	-
Liability claims	360,000	800,000	(440,000)
Insurance	250,162	-	250,162
Capital Reserve	5,130,695	2,436,438	2,694,257
Debt Service	900,626	1,044,592	(143,966)
Debt Service - for subsequent year's expenditures	200,000	-	200,000
Assigned			
Encumbrances	738,516	1,016,895	(278,379)
For subsequent year's expenditures	1,575,000	2,275,000	(700,000)
Unassigned	5,662,245	5,410,737	251,508
	<u>36,402,483</u>	<u>35,493,979</u>	<u>908,504</u>
School Lunch Fund			
Assigned	<u>763,851</u>	<u>835,861</u>	<u>(72,010)</u>
Capital Projects Fund			
Restricted	<u>(90,658)</u>	<u>766,974</u>	<u>(857,632)</u>
 Total Fund Balances	 <u>\$ 37,075,676</u>	 <u>\$ 37,096,814</u>	 <u>\$ (21,138)</u>

Note: The fund balance of the Special Purpose fund is not included on this chart.

General Fund Budgetary Highlights

2023-24 Budget

The School District's General Fund adopted budget for the year ended June 30, 2024 was \$135,268,436. This amount was then increased by the encumbrances ('purchase orders') carried forward from the prior year in the amount of \$1,016,895. Additionally, the Board of Education took action to increase 2023-24 appropriations for the payment of tax certiorari claims (\$505,753), as well as for Board approved settlement agreements for tuition reimbursement (\$317,730). Total authorized spending for the 2023-2024 fiscal year was \$137,108,814.

The 2023-24 budget was funded through a combination of local, county and state generated revenues, as well as assigned fund balance. The majority of this funding source totaling \$118,402,804 (over 89%) was derived from the levy of real property taxes and STAR property tax relief aid from New York State. Additional revenue from county sales tax receipts and state aid support from NYS was included in the funding plan, as well as appropriated fund balance in the amount of \$3,275,000.

Change In General Fund's Unassigned Fund Balance (Budget to Actual)

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

	2023-24
Opening, unassigned fund balance	\$ 5,410,737
Revenues over budget	3,078,428
Expenditures, other financing uses and encumbrances under budget	2,206,938
Revenues allocated to restricted fund balances	(1,318,998)
Transfers from/to restricted fund balances, net	(541,923)
Transfers to nonspendable fund balance	(15,603)
Assigned to balance the 2024-25 budget	<u>(3,157,334)</u>
Closing, unassigned fund balance	<u><u>\$ 5,662,245</u></u>

The \$5,662,245 shown in the table above is the portion of the School District's June 30, 2024 fund balance that was retained as unassigned. This represents 4% of the School District's 2024-25 approved operating budget of \$141,556,140, the maximum permitted by New York State.

The revised 2023-24 budget for expenditures and other financing uses, including prior year open encumbrances as of June 30, 2024, was \$137,108,814. Actual expenditures and other financing uses as of June 30, 2024 were \$134,163,360 plus outstanding encumbrances of \$738,516. Combined, the expenditures plus encumbrances for 2023-24 were \$134,901,876 which was \$2,206,938 less than anticipated.

The expenditure savings in the 2023-24 budget is primarily attributable to the following areas and amounts:

Staff	\$ 42,649
Central Services	293,626
Instruction, Administration and Improvement	193,900
Teaching - Regular School	395,778
Programs for Students with Disabilities	421,032
Instructional Media	58,033
Pupil Services	329,053
Pupil Transportation	258,263
Employee Benefits	121,563
The net sum of all other variances	<u>93,041</u>
Net Total of All Budgetary Expenditure Variances	<u><u>\$ 2,206,938</u></u>

Assigned/Restricted Fund Balance For Use In 2024-25

The School District utilized \$3,157,334 of its available June 30, 2024 fund balance to provide property tax relief and partially fund its 2024-25 approved operating budget. A significant portion of the appropriated fund balance, \$1,575,000, was derived and assigned from operations over a series of years. There were also funds appropriated from restricted fund balance that was planned for use in 2024-25, including monies from the restricted for ERS retirement system contributions (\$875,000), employee benefit accrued liability restriction (\$125,000), restricted for TRS retirement system contributions (\$382,334), and restricted for debt service payments (\$200,000).

Capital Asset and Debt Administration

Capital Assets

At June 30, 2024, the School District invested in a broad range of capital assets, including land, construction-in-progress, land improvements, buildings and improvements and machinery and equipment. A summary of the School District's capital assets, net of depreciation at June 30, 2024 and 2023 is as follows:

	2023-24	2022-23	Increase (Decrease)
Land	\$ 1,403,050	\$ 1,403,050	\$ -
Construction-in-Progress	2,851,937	593,413	2,258,524
Land Improvements	6,286,752	6,780,806	(494,054)
Buildings and improvements	81,297,605	82,072,486	(774,881)
Machinery and equipment	812,583	839,235	(26,652)
Capital assets, net	<u>\$ 92,651,927</u>	<u>\$ 91,688,990</u>	<u>\$ 962,937</u>

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

Debt Administration

The School District retired \$1,150,000 in outstanding bonded indebtedness and \$351,639 in energy performance contract debt during the year ended June 30, 2024. More detailed information regarding this debt is presented in Note 3E in the notes to financial statements.

Economic Factors and Next Year's Budget

The General Fund budget for the year ended June 30, 2025 was particularly challenging due to several inflationary pressures and rising costs. Growing student enrollment has increased the demand for resources, while inflation has driven up prices for essential goods and services. High electric and fuel costs have strained the School District's operating budget, and health insurance premiums have risen sharply, exceeding the consumer price index. These factors have made it difficult to balance the need for adequate funding to support educational programs, staff, and infrastructure while minimizing the financial burden on taxpayers. The budget process required careful planning and difficult decisions to meet these competing demands. As evidenced by a supermajority of taxpayers that voted to approve a tax levy increase above the NYS established tax levy limit, there is a high level of community support of the instructional and extra-curricular activities of the School District due to strong and consistent executive leadership.

Looking ahead to the upcoming budget year, the current economic climate suggests these pressures are unlikely to ease. As a result, the School District anticipates continued financial strain, requiring even more careful planning, potential cost-cutting measures, and prioritization of critical needs to ensure the quality of education remains intact while managing the financial impact on the community.

The final 2023 assessment roll for the Town of Harrison indicates significant growth in the full value assessment of the community, which increased by \$1,058,703,530, or 10.89%. As a result, the School District enjoys the third lowest tax rate on true value of all Westchester County school districts at \$11.48 per thousand of assessed value.

Contacting the School District

This financial report is designed to provide the reader with a general overview of the School District's finances and to demonstrate the School District's accountability for the funds it receives. Requests for additional information can be directed to:

Dr. Louis N. Wool, Superintendent
Harrison Central School District
50 Union Avenue
Harrison, NY 10528

(This page intentionally left blank)

Harrison Central School District, New York

Statement of Net Position

June 30, 2024

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 346,883
Investments	46,548,292
Receivables	
Accounts	15,494
State and Federal aid	3,696,158
Due from other governments	818,027
Prepaid expenses	15,603
Capital assets	
Not being depreciated	4,254,987
Being depreciated, net	88,396,940
Total Assets	144,092,384
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	29,039,464
OPEB related	22,918,837
Total Deferred Outflows of Resources	51,958,301
LIABILITIES	
Accounts payable	5,054,496
Accrued liabilities	272,069
Due to other governments	628,127
Unearned revenues	405,708
Due to retirement systems	7,635,241
Accrued interest payable	407,611
Non-current liabilities	
Due within one year	8,796,099
Due in more than one year	255,246,460
Total Liabilities	278,445,811
DEFERRED INFLOWS OF RESOURCES	
Pension related	4,714,467
OPEB related	77,198,671
Total Deferred Inflows of Resources	81,913,138
NET POSITION	
Net investment in capital assets	47,035,886
Restricted	
Capital projects	863,337
Tax certiorari	7,897,501
ERS retirement contribution	6,375,000
TRS retirement contribution	4,382,334
Property loss	22,243
Liability	360,000
Insurance	250,162
Future capital projects	5,130,695
Debt service	900,626
Special purposes	
Extraclassroom activities	175,802
Other	193,338
Unrestricted	(237,895,188)
Total Net Position	\$ (164,308,264)

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

(This page intentionally left blank)

Harrison Central 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	\$ 18,858,324	\$ -	\$ 1,366,163	\$ -	\$ (17,492,161)
Instruction	106,091,805	527,931	3,795,621	-	(101,768,253)
Pupil transportation	8,719,432	-	168,935	-	(8,550,497)
Cost of food sales	1,796,368	1,168,922	540,730	-	(86,716)
Other	228,112	-	240,657	-	12,545
Interest	1,493,376	-	-	56,035	(1,437,341)
Total Governmental Activities	\$ 137,187,417	\$ 1,696,853	\$ 6,112,106	\$ 56,035	(129,322,423)
General revenues					
Real property taxes					116,366,833
Other tax items					
Payments in lieu of taxes					2,711,108
Unrestricted intergovernmental revenues					
School tax relief reimbursement					2,035,971
Non-property tax distribution from County					2,997,729
Unrestricted use of money and property					1,866,723
Sale of property and compensation for loss					30,023
Unrestricted State aid					6,050,184
Miscellaneous					815,822
Total General Revenues					132,874,393
Change in Net Position					3,551,970
Net Position - Beginning					(167,860,234)
Net Position - Ending					\$ (164,308,264)

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

Harrison Central School District, New York

Balance Sheet
Governmental Funds
June 30, 2024

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 59,309	\$ -	\$ -
Investments	46,548,292	-	-
Receivables			
Accounts	15,494	-	-
State and Federal aid	1,004,853	2,653,987	-
Due from other governments	818,027	-	-
Due from other funds	2,634,556	-	541,415
Prepaid expenditures	15,603	-	-
Total Assets	<u>\$ 51,096,134</u>	<u>\$ 2,653,987</u>	<u>\$ 541,415</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 4,213,172	\$ 18,057	\$ 632,073
Accrued liabilities	272,069	-	-
Due to other funds	1,655,074	2,634,556	-
Due to other governments	628,127	-	-
Unearned revenues	289,968	1,374	-
Due to retirement systems	7,635,241	-	-
Total Liabilities	<u>14,693,651</u>	<u>2,653,987</u>	<u>632,073</u>
Fund balances			
Nonspendable	15,603	-	-
Restricted	28,411,119	-	-
Assigned	2,313,516	-	-
Unassigned	5,662,245	-	(90,658)
Total Fund Balances	<u>36,402,483</u>	<u>-</u>	<u>(90,658)</u>
Total Liabilities and Fund Balances	<u>\$ 51,096,134</u>	<u>\$ 2,653,987</u>	<u>\$ 541,415</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 287,574	\$ 346,883
-	46,548,292
-	15,494
37,318	3,696,158
-	818,027
1,113,659	4,289,630
-	15,603
<u>\$ 1,438,551</u>	<u>\$ 55,730,087</u>

\$ 191,194	\$ 5,054,496
-	272,069
-	4,289,630
-	628,127
114,366	405,708
-	7,635,241
<u>305,560</u>	<u>18,285,271</u>

-	15,603
369,140	28,780,259
763,851	3,077,367
-	5,571,587
<u>1,132,991</u>	<u>37,444,816</u>
<u>\$ 1,438,551</u>	<u>\$ 55,730,087</u>

(This page intentionally left blank)

Harrison Central 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

Fund Balances - Total Governmental Funds	\$ 37,444,816
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	4,254,987
Capital assets - depreciable	137,351,874
Accumulated depreciation	<u>(48,954,934)</u>
	<u>92,651,927</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	29,039,464
Deferred outflows - OPEB related	22,918,837
Deferred inflows - pension related	(4,714,467)
Deferred inflows - OPEB related	<u>(77,198,671)</u>
	<u>(29,954,837)</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(407,611)
General obligation bonds payable	(40,575,000)
Energy performance contract debt payable	(5,041,041)
Compensated absences	(899,110)
Claims payable	(2,039,903)
Net pension liability - ERS	(4,574,411)
Net pension liability - TRS	(3,634,054)
Total OPEB liability	<u>(207,279,040)</u>
	<u>(264,450,170)</u>
Net Position of Governmental Activities	<u>\$ (164,308,264)</u>

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

Harrison Central 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	\$ 116,366,833	\$ -	\$ -
Other tax items	4,747,079	-	-
Non-property taxes	2,997,729	-	-
Charges for services	527,931	-	-
Use of money and property	3,185,721	-	-
Sale of property and compensation for loss	30,023	-	-
State aid	6,400,726	619,836	-
Federal aid	-	2,985,796	-
Food sales	-	-	-
Miscellaneous	815,822	-	-
Total Revenues	135,071,864	3,605,632	-
EXPENDITURES			
Current			
General support	13,296,507	103,200	-
Instruction	74,672,818	3,573,743	-
Pupil transportation	8,511,871	168,935	-
Employee benefits	32,405,143	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	1,501,639	-	-
Interest	1,507,136	-	-
Capital outlay	-	-	2,885,632
Total Expenditures	131,895,114	3,845,878	2,885,632
Excess (Deficiency) of Rev- enues Over Expenditures	3,176,750	(240,246)	(2,885,632)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	240,246	2,028,000
Transfers out	(2,268,246)	-	-
Total Other Financing Sources (Uses)	(2,268,246)	240,246	2,028,000
Net Change in Fund Balances	908,504	-	(857,632)
FUND BALANCES (DEFICITS)			
Beginning of Year	35,493,979	-	766,974
End of Year	\$ 36,402,483	\$ -	\$ (90,658)

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 116,366,833
-	4,747,079
-	2,997,729
-	527,931
5,092	3,190,813
-	30,023
24,576	7,045,138
511,775	3,497,571
1,168,794	1,168,794
351,654	1,167,476
<u>2,061,891</u>	<u>140,739,387</u>
-	13,399,707
77,197	78,323,758
-	8,680,806
-	32,405,143
1,781,662	1,781,662
228,112	228,112
-	1,501,639
-	1,507,136
-	2,885,632
<u>2,086,971</u>	<u>140,713,595</u>
<u>(25,080)</u>	<u>25,792</u>
-	2,268,246
-	(2,268,246)
<u>-</u>	<u>-</u>
(25,080)	25,792
<u>1,158,071</u>	<u>37,419,024</u>
<u>\$ 1,132,991</u>	<u>\$ 37,444,816</u>

Harrison Central School District, New York

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

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 25,792</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	4,072,310
Depreciation expense	<u>(3,109,373)</u>
	<u>962,937</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal paid on general obligation bonds	1,150,000
Principal paid on energy performance contract debt	<u>351,639</u>
	<u>1,501,639</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.	
Accrued interest	13,760
Compensated absences	47,424
Claims payable	373,335
Changes in pension liabilities and related deferred outflows and inflows of resources	(5,165,444)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>5,792,527</u>
	<u>1,061,602</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,551,970</u></u>

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

Harrison Central 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	\$ 116,366,833	\$ 116,366,833	\$ 116,366,833	\$ -
Other tax items	4,734,487	4,734,487	4,747,079	12,592
Non-property taxes	2,800,000	2,800,000	2,997,729	197,729
Charges for services	443,500	443,500	527,931	84,431
Use of money and property	1,052,500	1,052,500	3,185,721	2,133,221
Sale of property and compensation for loss	-	-	30,023	30,023
State aid	6,081,116	6,081,116	6,400,726	319,610
Miscellaneous	515,000	515,000	815,822	300,822
Total Revenues	131,993,436	131,993,436	135,071,864	3,078,428
EXPENDITURES				
Current				
General support	13,009,683	13,975,254	13,296,507	678,747
Instruction	76,678,717	76,559,694	74,672,818	1,886,876
Pupil transportation	8,827,549	8,770,134	8,511,871	258,263
Employee benefits	32,572,606	32,526,706	32,405,143	121,563
Debt service				
Principal	1,501,640	1,501,640	1,501,639	1
Interest	1,507,136	1,507,136	1,507,136	-
Total Expenditures	134,097,331	134,840,564	131,895,114	2,945,450
Excess (Deficiency) of Revenues Over Expenditures	(2,103,895)	(2,847,128)	3,176,750	6,023,878
OTHER FINANCING USES				
Transfers out	(2,188,000)	(2,268,250)	(2,268,246)	4
Net Change in Fund Balance	(4,291,895)	(5,115,378)	908,504	6,023,882
FUND BALANCE				
Beginning of Year	4,291,895	5,115,378	35,493,979	30,378,601
End of Year	\$ -	\$ -	\$ 36,402,483	\$ 36,402,483

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

Harrison Central School District, New York

Fiduciary Fund
Statement of Fiduciary Net Position
June 30, 2024

	Custodial Fund
ASSETS	
Cash and equivalents	\$ 23,854
Accounts receivable	6,505
Total Assets	<u>\$ 30,359</u>
NET POSITION	
Restricted for individuals and organizations	<u>\$ 30,359</u>

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

Harrison Central School District, New York

Fiduciary Fund
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2024

	Custodial Fund
ADDITIONS	
Miscellaneous	\$ 143,303
DEDUCTIONS	
Payments to individuals and organizations	145,291
Change in Fiduciary Net Position	(1,988)
NET POSITION	
Beginning of Year	32,347
End of Year	\$ 30,359

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

(This page intentionally left blank)

Note 1 - Summary of Significant Accounting Policies

The Harrison Central School District, New York ("School District"), as presently constituted, was established in 1969 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

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

A. Financial Reporting Entity

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

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

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

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 or State funds. The major revenues of this fund are Federal and State 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 and lunch programs of the School District.

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

- b. Fiduciary Funds (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 Custodial Fund is used to account for certain deposits payable.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

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

The School District follows the provisions of 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

Note 1 - Summary of Significant Accounting Policies (Continued)

the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

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

The School District's position in the pool at June 30, 2024 of \$46,548,292 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

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

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

Risk Disclosure

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

District's investment policy limits the amount on deposit at each of its banking institutions.

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

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 - There are no inventory values presented in the balance sheets of the respective funds of the School District. Purchases of inventoriable items are recorded as expenditures at the time of purchase and year-end balances are not material.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance 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 \$289,968 in the General Fund (\$40,121 for health insurance premiums and \$249,847 rebate for utilities), \$1,374 in the Special Aid Fund for Federal aid received in advance, and \$114,366 in the School Lunch Fund (\$61,460 for student meal monies received in advance and \$52,906 for Federal aid received in advance). Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position 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 (expenditures/expense) 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 reports 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,

Note 1 - Summary of Significant Accounting Policies (Continued)

whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

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

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date – 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 are 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 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, tax certiorari, ERS/TRS retirement contributions, property loss, liability, insurance, future capital projects, debt service and special purposes.

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

Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the district-wide financial statements, a flow assumption must be made

Note 1 - Summary of Significant Accounting Policies (Continued)

about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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:

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

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

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

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

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the

Note 1 - Summary of Significant Accounting Policies (Continued)

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 reported as assigned fund balance since they do not constitute expenditures or liabilities (See Note 3F).

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 2, 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

Note 2 - Stewardship, Compliance and Accountability (Continued)

Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.

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

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

B. Limitation on Fund Balance

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

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a 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

Note 2 - Stewardship, Compliance and Accountability (Continued)

fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

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

D. Expenditures in Excess of Budget

The records management officer expenditure in the General Fund exceeded its budgetary provision by \$56.

E. Capital Projects Fund Deficit

The Capital Projects Fund reflects a deficit of \$90,658 at June 30, 2024. This results from expenditures exceeding revenues on the voter approved \$79,530,000 district-wide improvement capital projects. This deficit will be eliminated with the subsequent receipt of authorized financing on the projects.

Note 3 - Detailed Notes on All Funds**A. Interfund Receivables/Payables**

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

Fund	Due From	Due To
General	\$ 2,634,556	\$ 1,655,074
Special Aid	-	2,634,556
Capital Projects	541,415	-
Non-Major Governmental	1,113,659	-
	<u>\$ 4,289,630</u>	<u>\$ 4,289,630</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.

Harrison Central 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	\$ 1,403,050	\$ -	\$ -	\$ 1,403,050
Construction-in-progress	593,413	2,752,221	493,697	2,851,937
Total Capital Assets, not being depreciated	<u>\$ 1,996,463</u>	<u>\$ 2,752,221</u>	<u>\$ 493,697</u>	<u>\$ 4,254,987</u>
Capital assets, being depreciated:				
Land Improvements	\$ 11,670,749	\$ 26,030	\$ -	\$ 11,696,779
Buildings and Improvements	119,228,608	1,621,581	-	120,850,189
Machinery and Equipment	4,691,854	166,175	53,123	4,804,906
Total Capital Assets, being depreciated	<u>135,591,211</u>	<u>1,813,786</u>	<u>53,123</u>	<u>137,351,874</u>
Less Accumulated Depreciation for:				
Land Improvements	4,889,943	520,084	-	5,410,027
Buildings and Improvements	37,156,122	2,396,462	-	39,552,584
Machinery and Equipment	3,852,619	192,827	53,123	3,992,323
Total Accumulated Depreciation	<u>45,898,684</u>	<u>3,109,373</u>	<u>53,123</u>	<u>48,954,934</u>
Total Capital Assets, being depreciated, net	<u>\$ 89,692,527</u>	<u>\$ (1,295,587)</u>	<u>\$ -</u>	<u>\$ 88,396,940</u>
Capital Assets, net	<u>\$ 91,688,990</u>	<u>\$ 1,456,634</u>	<u>\$ 493,697</u>	<u>\$ 92,651,927</u>

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

General Support	\$ 3,042,737
Instruction	51,930
Cost of Food Sales	<u>14,706</u>
	<u>\$ 3,109,373</u>

D. Accrued Liabilities

Accrued liabilities at June 30, 2024 were as follows:

	General Fund
Payroll and Employee Benefits	<u>\$ 272,069</u>

Harrison Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

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

	Balance July 1, 2023	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2024	Due Within One-Year
General Obligation Bonds Payable	\$ 41,725,000	\$ -	\$ 1,150,000	\$ 40,575,000	\$ 1,195,000
Energy Performance Contract Debt Payable	5,392,680	-	351,639	5,041,041	361,123
Other Non-current Liabilities:					
Compensated Absences	946,534	47,276	94,700	899,110	89,900
Claims Payable	2,413,238	-	373,335	2,039,903	339,984
Net Pension Liability - ERS	6,925,559	-	2,351,148	4,574,411	-
Net Pension Liability - TRS	6,140,674	-	2,506,620	3,634,054	-
Other Postemployment Benefit Liability	209,643,752	3,566,556	5,931,268	207,279,040	6,810,092
Total Other Non- Current Liabilities	226,069,757	3,613,832	11,257,071	218,426,518	7,239,976
Total Long-Term Liabilities	\$ 273,187,437	\$ 3,613,832	\$ 12,758,710	\$ 264,042,559	\$ 8,796,099

Each governmental fund's liability for general obligation bonds, energy performance contract debt, compensated absences, claims payable, net pension liability and other postemployment benefit liability is liquidated by the General Fund.

General Obligation Bonds Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2024
District-Wide Reconstruction	2018	\$ 22,580,000	March, 2048	3.25-3.55 %	\$ 19,595,000
District-Wide Reconstruction	2019	19,380,000	September, 2048	3.00-4.00	17,350,000
District-Wide Reconstruction	2020	4,300,000	June, 2040	1.25-5.00	3,630,000
					<u>\$ 40,575,000</u>

Interest expenditures of \$1,365,021 were recorded in the General Fund. Interest expense of \$1,354,131 was recorded in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Energy Performance Contract Payable

The School District, during 2018, entered into a \$6,969,318 contractual agreement to install energy saving equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for annual payments of \$493,754, including interest at 2.679% through September 2035. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures of \$142,115 were recorded in the General Fund. Interest expense was \$139,245 in the district-wide financial statements. The balance due at June 30, 2024 was \$5,041,041.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and energy performance contract debt as of June 30, 2024 including interest payments of \$19,620,670 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,195,000	\$ 1,325,570	\$ 361,123	\$ 132,631	\$ 1,556,123	\$ 1,458,201
2026	1,230,000	1,284,520	370,863	122,891	1,600,863	1,407,411
2027	1,275,000	1,242,283	380,865	112,889	1,655,865	1,355,172
2028	1,320,000	1,198,445	391,138	102,617	1,711,138	1,301,062
2029	1,365,000	1,155,057	401,687	92,067	1,766,687	1,247,124
2030-2034	7,440,000	5,133,237	2,176,904	291,867	9,616,904	5,425,104
2035-2039	8,620,000	3,970,920	958,461	29,047	9,578,461	3,999,967
2040-2044	8,965,000	2,549,294	-	-	8,965,000	2,549,294
2045-2049	9,165,000	877,335	-	-	9,165,000	877,335
	<u>\$ 40,575,000</u>	<u>\$ 18,736,661</u>	<u>\$ 5,041,041</u>	<u>\$ 884,009</u>	<u>\$ 45,616,041</u>	<u>\$ 19,620,670</u>

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. At June 30, 2024, that amount was \$951,970,233. As of June 30, 2024, the total outstanding debt applicable to the limit was \$40,575,000 which is 4.26% of the total debt limit.

Compensated Absences

Under the terms of existing collective bargaining agreements, upon separation of service, the School District converts each employee's unused sick leave into a bank for the purpose of paying their portion of retiree health insurance premiums. Compensated absences also includes the value for twelve month employee's vacation days earned in the prior year. The value of the compensated absences has been reflected in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Claims Payable

Claims payable reflects a liability of \$2,039,903 for court ordered tax certiorari refunds, which were not due and payable at year-end. These amounts have been recorded as an expense in the district-wide financial statements.

Pension Plans

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

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

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

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

Harrison Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2024 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A15	15.0 %
	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	\$ 4,574,411	\$ 3,634,054
School Districts' proportion of the net pension liability	0.0310676 %	0.317777 %
Change in proportion since the prior measurement date	(0.0012284) %	(0.002235) %

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 \$12,561,479 (\$2,090,361 for ERS and \$10,471,118 for TRS). Pension expenditures of \$7,360,689 (\$1,478,384 for ERS and \$5,882,305 for TRS) and \$35,346 (\$7,126 for ERS and \$28,220 for TRS) were recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively.

Harrison Central 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	\$ 1,473,414	\$ 124,732	\$ 8,811,614	\$ 21,777
Changes of assumptions	1,729,482	-	7,824,010	1,705,200
Net difference between projected and actual earnings on pension plan investments	-	2,234,576	1,857,656	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	355,982	152,001	557,403	476,181
School District contributions subsequent to the measurement date	519,377	-	5,910,526	-
	<u>\$ 4,078,255</u>	<u>\$ 2,511,309</u>	<u>\$ 24,961,209</u>	<u>\$ 2,203,158</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 10,285,028	\$ 146,509		
Changes of assumptions	9,553,492	1,705,200		
Net difference between projected and actual earnings on pension plan investments	1,857,656	2,234,576		
Changes in proportion and differences between School District contributions and proportionate share of contributions	913,385	628,182		
School District contributions subsequent to the measurement date	6,429,903	-		
	<u>\$ 29,039,464</u>	<u>\$ 4,714,467</u>		

\$519,377 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 \$5,910,526 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	\$ -	\$ 1,436,641
2025	(767,071)	(1,883,945)
2026	938,507	14,625,002
2027	1,359,735	1,168,105
2028	(483,602)	945,798
Thereafter	-	555,924
	<u>\$ 1,047,569</u>	<u>\$ 16,847,525</u>

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.

Note 3 - Detailed Notes on All Funds (Continued)

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

Asset Type	ERS March 31, 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 %	6.80 %
International Equity	15	6.65	15	7.60
Private Equity	10	7.25	9	10.10
Real Estate Equity	9	4.60	11	6.30
Opportunistic/ARS Portfolio	3	5.25	-	-
Credit	4	5.40	-	-
Real Assets	3	5.79	-	-
Domestic Fixed Income	-	-	16	2.20
Global Equity	-	-	4	7.20
Global Bonds	-	-	2	1.60
Private Debt	-	-	2	6.00
Real Estate Debt	-	-	6	3.20
High Yield Bonds	-	-	1	4.40
Fixed Income	23	1.50	-	-
Cash	1	0.25	1	0.30
	<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:

Harrison Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 14,382,416</u>	<u>\$ 4,574,411</u>	<u>\$ (3,617,308)</u>
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension (asset)	<u>\$ 55,348,484</u>	<u>\$ 3,634,054</u>	<u>\$ (39,860,018)</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:

	ERS	TRS
Total pension liability	\$ 240,696,851,000	\$ 138,365,121,961
Fiduciary net position	<u>225,972,801,000</u>	<u>137,221,536,942</u>
Employers' net pension liability	<u>\$ 14,724,050,000</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 \$519,377 to ERS and \$7,115,864 to TRS (including current year employee contributions of \$914,255 and accrued amounts from prior years of \$291,083).

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	374
Active employees	<u>626</u>
	<u>1,000</u>

The School District’s total OPEB liability of \$200,279,040 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022.

The total OPEB liability in the July 1, 2022 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	3.50%, average, including inflation
Discount rate	3.93%
Healthcare cost trend rates	7.0% for 2024, decreasing 0.5% per year to an ultimate rate of 5.0% for 2028 and later years
Retirees' share of benefit-related costs	For those employees who retired prior to July 1, 2009, the School District is responsible for 100% of the cost of the retiree’s health insurance plan. For those employees retiring after July 1, 2009, the retiree’s share varies depending on bargaining unit, years of service to the School District and whether the retiree has reached age 65. The retiree’s share of the health insurance premium ranges between 2% and 20%, based on these factors.

The discount rate was based on the Bond Buyer’s 20 Bond Index.

Harrison Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for pre and post retirement projected with mortality improvements using the most current Society of Actuaries' Mortality Improvement Scale MP-2021.

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	\$ 209,643,752
Service cost	5,632,970
Interest	7,750,325
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(9,816,739)
Benefit payments	<u>(5,931,268)</u>
Total OPEB Liability - End of Year	<u>\$ 207,279,040</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 (2.93%) or 1 percentage point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	<u>\$ 245,762,161</u>	<u>\$ 207,279,040</u>	<u>\$ 177,203,293</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 4.0%) or 1 percentage point higher (8.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 4.0%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 5.0%)	1% Increase (8.0% decreasing to 6.0%)
Total OPEB Liability	<u>\$ 174,178,963</u>	<u>\$ 207,279,040</u>	<u>\$ 250,053,247</u>

For the year ended June 30, 2024, the School District recognized OPEB expense of \$138,741 in the district-wide financial statements. At June 30, 2024, the School District reported deferred

Harrison Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

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	\$ 22,918,837	\$ 60,237,611
Differences between expected and actual experience	-	16,961,060
	<u>\$ 22,918,837</u>	<u>\$ 77,198,671</u>

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

Year Ended June 30,	
2025	\$ (12,534,134)
2026	(11,764,525)
2027	(10,884,580)
2028	(11,226,426)
2029	(7,870,169)
Thereafter	-
	<u>\$ (54,279,834)</u>

F. Significant Commitments – Encumbrances

As discussed in Note 2A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2024, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	<u>\$ 738,516</u>
--------------	-------------------

G. 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.

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In		Total
	Special Aid Fund	Capital Projects Fund	
General Fund	\$ 240,246	\$ 2,028,000	\$ 2,268,246

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

H. 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.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects.

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

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

Restricted for Property Loss - the component of net position that has been established to set aside funds for property loss claims in accordance with Section 6-n of the General Municipal Law of the State of New York.

Restricted for Liability - the component of net position that has been established to pay liability claims in accordance with the Education 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 the Education Law of the State of New York.

Restricted for Future Capital Projects – the component of net position that has been established in accordance with the Education 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 with constraints place on their use by Local Finance Law.

Harrison Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Special Purposes - 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".

I. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable -				
Prepaid expenditures	\$ 15,603	\$ -	\$ -	\$ 15,603
Restricted:				
Tax certiorari	9,937,404	-	-	9,937,404
Employee benefit accrued liability	727,655	-	-	727,655
Employee benefit accrued liability - for subsequent year's expenditures	125,000	-	-	125,000
ERS retirement contributions	5,500,000	-	-	5,500,000
ERS retirement contributions - for subsequent year's expenditures	875,000	-	-	875,000
TRS retirement contributions	4,000,000	-	-	4,000,000
TRS retirement contributions - for subsequent year's expenditures	382,334	-	-	382,334
Property loss	22,243	-	-	22,243
Liability claims	360,000	-	-	360,000
Insurance	250,162	-	-	250,162
Future capital projects	5,130,695	-	-	5,130,695
Special purposes - extraclassroom activities	-	-	175,802	175,802
Special purposes - other	-	-	193,338	193,338
Debt service	900,626	-	-	900,626
Debt service - for subsequent year's expenditures	200,000	-	-	200,000
Total Restricted	28,411,119	-	369,140	28,780,259
Assigned:				
Purchases on order:				
General government support	310,074	-	-	310,074
Instruction	428,442	-	-	428,442
	738,516	-	-	738,516
For subsequent year's expenditures -				
General Fund	1,575,000	-	-	1,575,000
School Lunch Fund	-	-	763,851	763,851
Total Assigned	2,313,516	-	763,851	3,077,367
Unassigned	5,662,245	(90,658)	-	5,571,587
Total Fund Balances (Deficits)	\$ 36,402,483	\$ (90,658)	\$ 1,132,991	\$ 37,444,816

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.

Restricted for Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6-p of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

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

Subsequent year's expenditures represent that at June 30, 2024, the Board of Education has utilized the above amounts to be appropriated for the ensuing year's budget.

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. Unassigned fund balance in the Capital Projects Fund represents the deficit balance in the fund.

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. The district-wide financial statements reflect a liability of \$2,039,903 at June 30, 2024 for tax certiorari obligations due but not yet payable.

The School District is defendant in a matter involving alleged sexual abuse by a teacher that took place forty years ago. Council for the School District filed an amended answer to the plaintiff's complaint and the parties have exchanged discovery demands. Upon completion of discovery, Council for the School District will likely submit a motion for summary judgment.

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.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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 that such amounts, if any, to be immaterial.

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 per occurrence. The School District maintains liability coverage for school board members up to \$1 million per occurrence and \$3 million in the aggregate. The School District also maintains an excess liability policy with coverage up to \$25 million per occurrence. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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

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*", provides guidance on disclosures for 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 or 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 have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date 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.

Harrison Central School District, New York

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

	2024	2023	2022
Total OPEB Liability:			
Service cost	\$ 5,632,970	\$ 5,676,238	\$ 14,209,553
Interest	7,750,325	7,390,862	6,182,563
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	(6,731,377)	-
Changes of assumptions or other inputs	(9,816,739) (4)	(18,124,519) (4)	(63,149,316) (4)
Benefit payments	(5,931,268)	(5,112,669)	(5,406,702)
Net Change in Total OPEB Liability	(2,364,712)	(16,901,465)	(48,163,902)
Total OPEB Liability – Beginning of Year	209,643,752	226,545,217	274,709,119
Total OPEB Liability – End of Year	<u>\$ 207,279,040</u>	<u>\$ 209,643,752</u>	<u>\$ 226,545,217</u>
School District's covered-employee payroll	<u>\$ 71,299,716</u>	<u>\$ 69,402,837</u>	<u>\$ 67,035,940</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>290.72%</u>	<u>302.07%</u>	<u>337.95%</u>
Discount Rate	<u>3.93%</u>	<u>3.65%</u>	<u>3.54%</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 this Statement to pay related benefits.

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

(4) Decrease in liability due to increase in discount rate.

See independent auditors' report.

2021	2020	2019	2018
\$ 13,653,018	\$ 9,289,818	\$ 8,110,829	\$ 8,429,274
5,938,388	7,593,808	7,446,927	7,849,377
-	-	(11,121)	-
(10,029,383)	(5,365,878)	(23,958,440)	-
(3,228,893)	56,809,086	10,586,556	(11,129,812)
(4,938,059)	(5,331,946)	(5,129,087)	(5,357,708)
1,395,071	62,994,888	(2,954,336)	(208,869)
273,314,048	210,319,160	213,273,496	213,482,365 (3)
<u>\$ 274,709,119</u>	<u>\$ 273,314,048</u>	<u>\$ 210,319,160</u>	<u>\$ 213,273,496</u>
<u>\$ 65,248,794</u>	<u>\$ 56,374,777</u>	<u>\$ 54,999,782</u>	<u>\$ 53,410,184</u>
<u>421.02%</u>	<u>484.82%</u>	<u>382.40%</u>	<u>399.31%</u>
<u>2.16%</u>	<u>2.21%</u>	<u>3.50%</u>	<u>3.87%</u>

Harrison Central School District, New York

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

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (1)

	2024 (3)	2023 (2)	2022 (3)	2021 (2)
School District's proportion of the net pension liability (asset)	<u>0.317777%</u>	<u>0.320012%</u>	<u>0.330456%</u>	<u>0.318515%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 3,634,054</u>	<u>\$ 6,140,674</u>	<u>\$ (57,264,898)</u>	<u>\$ 8,801,423</u>
School District's covered payroll	<u>\$ 60,282,266</u>	<u>\$ 58,035,413</u>	<u>\$ 56,471,417</u>	<u>\$ 54,509,341</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>6.03%</u>	<u>10.58%</u>	<u>(101.41)%</u>	<u>16.15%</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

	2023	2022	2022	2021
Contractually required contribution	\$ 5,910,526	\$ 6,203,045	\$ 5,687,471	\$ 5,381,726
Contributions in relation to the contractually required contribution	<u>(5,910,526)</u>	<u>(6,203,045)</u>	<u>(5,687,471)</u>	<u>(5,381,726)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 60,558,670</u>	<u>\$ 60,282,266</u>	<u>\$ 58,035,413</u>	<u>\$ 56,471,417</u>
Contributions as a percentage of covered payroll	<u>9.76%</u>	<u>10.29%</u>	<u>9.80%</u>	<u>9.53%</u>

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

(2) 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.

(3) 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.

2020	2019	2018	2017	2016	2015
<u>0.311993%</u>	<u>0.310794%</u>	<u>0.306607%</u>	<u>0.309822%</u>	<u>0.313699%</u>	<u>0.312539%</u>
<u>\$ (8,105,587)</u>	<u>\$ (5,619,980)</u>	<u>\$ (2,330,521)</u>	<u>\$ 3,318,320</u>	<u>\$ (32,583,296)</u>	<u>\$ (34,814,853)</u>
<u>\$ 52,497,704</u>	<u>\$ 50,955,296</u>	<u>\$ 49,294,676</u>	<u>\$ 48,452,860</u>	<u>\$ 47,688,368</u>	<u>\$ 46,479,123</u>
<u>(15.44)%</u>	<u>(11.03)%</u>	<u>(4.73)%</u>	<u>6.85%</u>	<u>(68.33)%</u>	<u>(74.90)%</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>
2020	2019	2018	2017	2016	2015
<u>\$ 4,854,528</u>	<u>\$ 5,575,256</u>	<u>\$ 4,993,619</u>	<u>\$ 5,777,336</u>	<u>\$ 6,424,849</u>	<u>\$ 8,359,771</u>
<u>(4,854,528)</u>	<u>(5,575,256)</u>	<u>(4,993,619)</u>	<u>(5,777,336)</u>	<u>(6,424,849)</u>	<u>(8,359,771)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 54,509,341</u>	<u>\$ 52,497,704</u>	<u>\$ 50,955,296</u>	<u>\$ 49,294,676</u>	<u>\$ 48,452,860</u>	<u>\$ 47,688,368</u>
<u>8.86%</u>	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

Harrison Central School District, New York

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

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (1)

	2024	2023 (2)	2022	2021 (3)
School District's proportion of the net pension liability (asset)	<u>0.0310676%</u>	<u>0.0322960%</u>	<u>0.0322541%</u>	<u>0.0327576%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 4,574,411</u>	<u>\$ 6,925,559</u>	<u>\$ (2,636,640)</u>	<u>\$ 32,618</u>
School District's covered payroll	<u>\$ 9,957,826</u>	<u>\$ 10,932,696</u>	<u>\$ 10,861,264</u>	<u>\$ 10,588,479</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>45.94%</u>	<u>63.35%</u>	<u>(24.28)%</u>	<u>0.31%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>	<u>99.95%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>

Schedule of Contributions

	2024	2023	2022	2021
Contractually required contribution	\$ 1,381,096	\$ 1,217,325	\$ 1,664,874	\$ 1,570,870
Contributions in relation to the contractually required contribution	<u>(1,381,096)</u>	<u>(1,217,325)</u>	<u>(1,664,874)</u>	<u>(1,570,870)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 11,444,660</u>	<u>\$ 11,200,972</u>	<u>\$ 10,793,565</u>	<u>\$ 10,714,936</u>
Contributions as a percentage of covered payroll	<u>12.07%</u>	<u>10.87%</u>	<u>15.42%</u>	<u>14.66%</u>

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

(2) 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.

(3) 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.

2020 (2)	2019	2018	2017	2016	2015
0.0344692%	0.0349333%	0.0372104%	0.0352946%	0.0358263%	0.0366299%
\$ 9,127,643	\$ 2,475,131	\$ 1,200,945	\$ 3,316,358	\$ 5,750,226	\$ 1,237,446
\$ 10,859,447	\$ 10,495,882	\$ 10,650,981	\$ 10,204,328	\$ 9,678,523	\$ 9,863,064
84.05%	23.58%	11.28%	32.50%	59.41%	12.55%
86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
2020	2019	2018	2017	2016	2015
\$ 1,543,093	\$ 1,513,593	\$ 1,582,343	\$ 1,552,878	\$ 1,710,235	\$ 1,947,445
(1,543,093)	(1,513,593)	(1,582,343)	(1,552,878)	(1,710,235)	(1,947,445)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 11,038,494	\$ 10,951,746	\$ 10,620,442	\$ 10,284,020	\$ 10,285,320	\$ 10,132,715
14.48%	13.82%	14.90%	15.10%	16.63%	19.22%

(This page intentionally left blank)

Harrison Central 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	Encumbr- ances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 116,366,833	\$ 116,366,833	\$ 116,366,833	\$	\$ -
Other tax items	4,734,487	4,734,487	4,747,079		12,592
Non-property taxes	2,800,000	2,800,000	2,997,729		197,729
Charges for services	443,500	443,500	527,931		84,431
Use of money and property	1,052,500	1,052,500	3,185,721		2,133,221
Sale of property and compensation for loss	-	-	30,023		30,023
State aid	6,081,116	6,081,116	6,400,726		319,610
Miscellaneous	515,000	515,000	815,822		300,822
Total Revenues	131,993,436	131,993,436	135,071,864		3,078,428
EXPENDITURES					
Current					
General support					
Board of education	96,216	96,216	88,595	280	7,341
Central administration	566,232	566,232	561,035	-	5,197
Finance	1,136,505	1,117,179	1,099,133	805	17,241
Staff	1,161,947	1,205,295	1,162,543	103	42,649
Central services	8,602,508	8,966,610	8,364,098	308,886	293,626
Special items	1,446,275	2,023,722	2,021,103	-	2,619
Total General Support	13,009,683	13,975,254	13,296,507	310,074	368,673
Instruction					
Instruction, administration and improvement	7,452,542	7,722,694	7,516,985	11,809	193,900
Teaching - Regular school	42,610,079	41,996,819	41,407,055	193,986	395,778
Programs for students with disabilities	15,715,462	16,002,366	15,537,701	43,633	421,032
Teaching - Special schools	540,326	540,326	479,688	-	60,638
Instructional media	3,241,496	3,322,657	3,112,795	151,829	58,033
Pupil services	7,118,812	6,974,832	6,618,594	27,185	329,053
Total Instruction	76,678,717	76,559,694	74,672,818	428,442	1,458,434
Pupil transportation	8,827,549	8,770,134	8,511,871	-	258,263
Employee benefits	32,572,606	32,526,706	32,405,143	-	121,563
Debt Service					
Principal	1,501,640	1,501,640	1,501,639	-	1
Interest	1,507,136	1,507,136	1,507,136	-	-
Total Expenditures	134,097,331	134,840,564	131,895,114	738,516	2,206,934
Excess (Deficiency) of Revenues Over Expenditures	(2,103,895)	(2,847,128)	3,176,750	(738,516)	5,285,362
OTHER FINANCING USES					
Transfers out	(2,188,000)	(2,268,250)	(2,268,246)	-	4
Net Change in Fund Balance	(4,291,895)	(5,115,378)	908,504	<u>\$ (738,516)</u>	<u>\$ 5,285,366</u>
FUND BALANCE					
Beginning of Year	4,291,895	5,115,378	35,493,979		
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,402,483</u>		

See independent auditors' report.

Harrison Central School District, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	<u>\$ 116,366,833</u>	<u>\$ 116,366,833</u>	<u>\$ 116,366,833</u>	<u>\$ -</u>
OTHER TAX ITEMS				
Payments in lieu of taxes	2,698,516	2,698,516	2,711,108	12,592
School tax relief reimbursement	<u>2,035,971</u>	<u>2,035,971</u>	<u>2,035,971</u>	<u>-</u>
	<u>4,734,487</u>	<u>4,734,487</u>	<u>4,747,079</u>	<u>12,592</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,997,729</u>	<u>197,729</u>
CHARGES FOR SERVICES				
Day school tuition - other districts	34,500	34,500	68,667	34,167
Other charges for services	77,000	77,000	98,874	21,874
Health services - Other districts	<u>332,000</u>	<u>332,000</u>	<u>360,390</u>	<u>28,390</u>
	<u>443,500</u>	<u>443,500</u>	<u>527,931</u>	<u>84,431</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	1,050,000	1,050,000	3,185,721	2,135,721
Rental of real property - BOCES	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
	<u>1,052,500</u>	<u>1,052,500</u>	<u>3,185,721</u>	<u>2,133,221</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of equipment	-	-	17,232	17,232
Insurance recoveries	<u>-</u>	<u>-</u>	<u>12,791</u>	<u>12,791</u>
	<u>-</u>	<u>-</u>	<u>30,023</u>	<u>30,023</u>

STATE AID

Basic formula	4,857,729	4,857,729	4,987,746	130,017
BOCES	871,027	871,027	1,062,438	191,411
Textbooks	261,271	261,271	260,145	(1,126)
Computer software	64,273	64,273	63,785	(488)
Library aid	26,816	26,816	26,612	(204)

6,081,116	6,081,116	6,400,726	319,610
-----------	-----------	-----------	---------

MISCELLANEOUS

Refund of prior year's expenditures	400,000	400,000	560,573	160,573
Refund for BOCES aided services	75,000	75,000	136,621	61,621
Other	40,000	40,000	118,628	78,628

515,000	515,000	815,822	300,822
---------	---------	---------	---------

TOTAL REVENUES

<u>\$ 131,993,436</u>	<u>\$ 131,993,436</u>	<u>\$ 135,071,864</u>	<u>\$ 3,078,428</u>
-----------------------	-----------------------	-----------------------	---------------------

See independent auditors' report.

Harrison Central 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	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 41,625	\$ 41,900	\$ 40,411	\$ 280	\$ 1,209
District clerk	21,341	21,341	21,317	-	24
District meeting	33,250	32,975	26,867	-	6,108
Total Board of Education	96,216	96,216	88,595	280	7,341
CENTRAL ADMINISTRATION					
Chief school administrator	566,232	566,232	561,035	-	5,197
FINANCE					
Business administration	856,205	856,557	844,234	26	12,297
Accounting and auditing	91,800	91,800	90,261	-	1,539
Treasurer	150,500	150,500	150,400	-	100
Purchasing	38,000	18,322	14,238	779	3,305
Total Finance	1,136,505	1,117,179	1,099,133	805	17,241
STAFF					
Legal	484,500	526,548	510,642	103	15,803
Human resources	583,011	579,311	556,945	-	22,366
Public information and services	91,500	96,500	91,964	-	4,536
Records management officer	2,936	2,936	2,992	-	(56)
Total Staff	1,161,947	1,205,295	1,162,543	103	42,649

CENTRAL SERVICES

Operation of plant	6,586,138	6,944,910	6,516,904	230,482	197,524
Maintenance of plant	1,283,175	1,255,434	1,161,277	70,000	24,157
Central printing and mailing	153,145	147,995	94,559	404	53,032
Central data processing	580,050	618,271	591,358	8,000	18,913

Total Central Services	8,602,508	8,966,610	8,364,098	308,886	293,626
------------------------	-----------	-----------	-----------	---------	---------

SPECIAL ITEMS

Unallocated insurance	460,700	469,730	469,465	-	265
Judgments and claims	-	505,752	505,752	-	-
School association dues	7,500	7,500	7,246	-	254
Assessments on school property	130,000	161,070	158,970	-	2,100
Refund on real property taxes	191,000	222,595	222,595	-	-
Administrative charge - BOCES	657,075	657,075	657,075	-	-

Total Special Items	1,446,275	2,023,722	2,021,103	-	2,619
---------------------	-----------	-----------	-----------	---	-------

Total General Support	13,009,683	13,975,254	13,296,507	310,074	368,673
-----------------------	------------	------------	------------	---------	---------

INSTRUCTION**INSTRUCTION, ADMINISTRATION
AND IMPROVEMENT**

Curriculum development and supervision	456,895	448,385	440,515	-	7,870
Supervision - Regular school	5,678,002	5,659,227	5,519,414	10,817	128,996
Supervision - Special education	826,699	835,299	803,617	-	31,682
In-service training - Instruction	490,946	779,783	753,439	992	25,352

Total Instruction, Administration and Improvement	7,452,542	7,722,694	7,516,985	11,809	193,900
--	-----------	-----------	-----------	--------	---------

TEACHING - REGULAR SCHOOL	42,610,079	41,996,819	41,407,055	193,986	395,778
----------------------------------	------------	------------	------------	---------	---------

PROGRAMS FOR STUDENTS WITH DISABILITIES	15,715,462	16,002,366	15,537,701	43,633	421,032
--	------------	------------	------------	--------	---------

TEACHING - SPECIAL SCHOOLS	540,326	540,326	479,688	-	60,638
-----------------------------------	---------	---------	---------	---	--------

(Continued)

Harrison Central 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	Encumbrances	Variance with Final Budget
INSTRUCTION (Continued)					
INSTRUCTIONAL MEDIA					
School library and audiovisual	\$ 1,258,192	\$ 1,264,566	\$ 1,232,286	\$ 28	\$ 32,252
Computer assisted instruction	1,983,304	2,058,091	1,880,509	151,801	25,781
Total Instructional Media	3,241,496	3,322,657	3,112,795	151,829	58,033
PUPIL SERVICES					
Attendance - Regular school	194,712	75,683	75,682	-	1
Guidance - Regular school	1,733,367	1,733,367	1,673,843	17	59,507
Health services - Regular school	1,441,272	1,442,247	1,261,986	871	179,390
Psychological services - Regular school	1,510,750	1,428,400	1,380,694	-	47,706
Social work services - Regular school	116,119	116,119	115,689	-	430
Co-curricular activities - Regular school	638,339	621,876	600,939	3,297	17,640
Interscholastic athletics - Regular school	1,484,253	1,557,140	1,509,761	23,000	24,379
Total Pupil Services	7,118,812	6,974,832	6,618,594	27,185	329,053
Total Instruction	76,678,717	76,559,694	74,672,818	428,442	1,458,434
PUPIL TRANSPORTATION					
District transportation services	98,312	108,312	104,048	-	4,264
Contract and public carrier transportation	8,715,237	8,648,822	8,396,689	-	252,133
Public transportation	9,000	13,000	11,134	-	1,866
Transportation from BOCES	5,000	-	-	-	-
Total Pupil Transportation	8,827,549	8,770,134	8,511,871	-	258,263

EMPLOYEE BENEFITS

State retirement	1,425,000	1,478,390	1,478,384	-	6
Teachers' retirement	5,982,090	5,928,700	5,882,305	-	46,395
Social security	5,483,570	5,507,570	5,505,103	-	2,467
Hospital, medical and dental insurance	18,200,944	18,218,044	18,147,085	-	70,959
Workers' compensation benefits	441,002	441,002	439,536	-	1,466
Unemployment benefits	60,000	14,000	13,946	-	54
Dental and life insurance	980,000	939,000	938,784	-	216
	<u>32,572,606</u>	<u>32,526,706</u>	<u>32,405,143</u>	<u>-</u>	<u>121,563</u>
Total Employee Benefits					

DEBT SERVICE

Principal					
Serial bonds	1,150,000	1,150,000	1,150,000	-	-
Energy performance contract	351,640	351,640	351,639	-	1
	<u>1,501,640</u>	<u>1,501,640</u>	<u>1,501,639</u>	<u>-</u>	<u>1</u>
Interest					
Serial bonds	1,365,021	1,365,021	1,365,021	-	-
Energy performance contract	142,115	142,115	142,115	-	-
	<u>1,507,136</u>	<u>1,507,136</u>	<u>1,507,136</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>3,008,776</u>	<u>3,008,776</u>	<u>3,008,775</u>	<u>-</u>	<u>1</u>

TOTAL EXPENDITURES

<u>134,097,331</u>	<u>134,840,564</u>	<u>131,895,114</u>	<u>738,516</u>	<u>2,206,934</u>
--------------------	--------------------	--------------------	----------------	------------------

OTHER FINANCING USES

Transfers out					
Capital Projects Fund	2,028,000	2,028,000	2,028,000	-	-
Special Aid Fund	160,000	240,250	240,246	-	4
	<u>2,188,000</u>	<u>2,268,250</u>	<u>2,268,246</u>	<u>-</u>	<u>4</u>
TOTAL OTHER FINANCING USES					

**TOTAL EXPENDITURES AND
OTHER FINANCING USES**

<u>\$ 136,285,331</u>	<u>\$ 137,108,814</u>	<u>\$ 134,163,360</u>	<u>\$ 738,516</u>	<u>\$ 2,206,938</u>
-----------------------	-----------------------	-----------------------	-------------------	---------------------

See independent auditors' report.

Harrison Central School District, New York

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

Project	Account	Original Authoriza- tion	Amended Authoriza- tion	Expenditures and Transfers to Date		
				Prior Years	Current Year	Total
LMK RENOVATE AND REPAIR TOILET ROOMS	H1006	\$ 300,000	\$ 374,850	\$ 331,224	\$ -	\$ 331,224
DISTRICT-WIDE PAVING	H1620	54,068	153,144	84,392	24,228	108,620
SMART SCHOOLS BOND ACT	H1705	430,913	430,913	397,713	-	397,713
PARSONS ADDITION - NEW CONSTRUCTION	H1765	5,224,976	6,501,773	6,501,114	659	6,501,773
DISTRICT-WIDE FLOOR/OFFICE REPLACEMENT	H2200	421,000	728,283	388,312	324,688	713,000
PRESTON A/C	H2203	123,500	130,237	45,172	77,832	123,004
LMK LOBBY RENOVATION	H2205	80,000	90,965	85,986	-	85,986
PARSONS AIR CIRCULATION	H2206	200,000	102,735	100,445	2,290	102,735
DISTRICT-WIDE SECURITY PA/SOUND	H2207	-	200,000	127,301	40,156	167,457
HAS ROOF REPLACEMENT	H2208	-	622,648	25,600	597,048	622,648
PURCHASE ELEMENTARY PARTIAL ROOF REPLACEMENT	H2209	-	120,380	5,950	10,449	16,399
PARSONS AIR CIRCULATION	H2306	1,083,500	1,083,500	-	739,916	739,916
HS ART ROOM RENOVATIONS	H2307	150,000	150,000	-	-	-
PRE-REFERENDUM COSTS	H2250	475,000	300,000	68,045	114,371	182,416
TOTAL OTHER PROJECTS		8,542,957	10,989,428	8,161,254	1,931,637	10,092,891
2023 BOND PROJECTS						
HHS WINDOW REPLACEMENT	H2251	379,070	379,070	-	110,797	110,797
HHS STEM ADDITIONS	H2252	1,524,350	1,524,350	-	115,403	115,403
LMK PD ROOM	H2256	2,017,946	2,017,946	-	304,939	304,939
HAS ADDITIONS	H2259	1,251,910	1,251,910	-	56,041	56,041
PAR WINDOW REPLACEMENT	H2261	210,825	210,825	-	61,620	61,620
PAR ALTERATIONS/RENOVATIONS	H2262	1,062,153	1,062,153	-	71,540	71,540
PUR PLAYGROUND AND FLOORING	H2263	553,533	553,533	-	3,737	3,737
PUR ADDITIONS	H2264	1,236,139	1,236,139	-	91,332	91,332
PRESTON ADDITIONS	H2266	829,393	829,393	-	91,018	91,018
DISTRICT-WIDE SECURITY	H2268	932,576	932,576	-	1,796	1,796
DISTRICT-WIDE COSTS	H2269	800,000	800,000	-	45,772	45,772
UNCOMMITTED BOND FUNDS	H2279	68,732,105	68,732,105	-	-	-
TOTAL 2023 BOND PROJECTS		79,530,000	79,530,000	-	953,995	953,995
TOTAL		\$ 88,072,957	\$ 90,519,428	\$ 8,161,254	\$ 2,885,632	\$ 11,046,886

See independent auditors' report.

Unexpended Balance	Methods of Financing				Fund Balance (Deficit) at June 30, 2024
	Proceeds of Obligations	Interfund Transfers	State Aid/ Other	Total	
\$ 43,626	\$ -	\$ 374,850	\$ -	\$ 374,850	\$ 43,626
44,524	-	153,144	-	153,144	44,524
33,200	-	-	397,713	397,713	-
-	6,266,083	235,690	-	6,501,773	-
15,283	-	728,283	-	728,283	15,283
7,233	-	130,237	-	130,237	7,233
4,979	-	90,965	-	90,965	4,979
-	-	102,735	-	102,735	-
32,543	-	200,000	-	200,000	32,543
-	-	622,648	-	622,648	-
103,981	-	120,380	-	120,380	103,981
343,584	-	1,083,500	-	1,083,500	343,584
150,000	-	150,000	-	150,000	150,000
117,584	-	300,000	-	300,000	117,584
<u>896,537</u>	<u>6,266,083</u>	<u>4,292,432</u>	<u>397,713</u>	<u>10,956,228</u>	<u>863,337</u>
268,273	-	-	-	-	(110,797)
1,408,947	-	-	-	-	(115,403)
1,713,007	-	-	-	-	(304,939)
1,195,869	-	-	-	-	(56,041)
149,205	-	-	-	-	(61,620)
990,613	-	-	-	-	(71,540)
549,796	-	-	-	-	(3,737)
1,144,807	-	-	-	-	(91,332)
738,375	-	-	-	-	(91,018)
930,780	-	-	-	-	(1,796)
754,228	-	-	-	-	(45,772)
68,732,105	-	-	-	-	-
<u>78,576,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(953,995)</u>
<u>\$ 79,472,542</u>	<u>\$ 6,266,083</u>	<u>\$ 4,292,432</u>	<u>\$ 397,713</u>	<u>\$ 10,956,228</u>	<u>\$ (90,658)</u>

Harrison Central School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	School Lunch	Special Purpose	Total Non-Major Governmental Funds
ASSETS			
Cash and equivalents	\$ 91,669	\$ 195,905	\$ 287,574
Receivables			
State and Federal aid	37,318	-	37,318
Due from other funds	929,774	183,885	1,113,659
	967,092	183,885	1,150,977
Total Assets	\$ 1,058,761	\$ 379,790	\$ 1,438,551
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 180,544	\$ 10,650	\$ 191,194
Unearned revenues	114,366	-	114,366
Total Liabilities	294,910	10,650	305,560
Fund balances			
Restricted	-	369,140	369,140
Assigned	763,851	-	763,851
Total Fund Balances	763,851	369,140	1,132,991
Total Liabilities and Fund Balances	\$ 1,058,761	\$ 379,790	\$ 1,438,551

See independent auditors' report.

Harrison Central School District, New York

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

	School Lunch	Special Purpose	Total Non-Major Governmental Funds
REVENUES			
Use of money and property	\$ 4,379	\$ 713	\$ 5,092
State aid	24,576	-	24,576
Federal aid	511,775	-	511,775
Food sales	1,168,794	-	1,168,794
Miscellaneous	128	351,526	351,654
Total Revenues	1,709,652	352,239	2,061,891
EXPENDITURES			
Current			
Instruction	-	77,197	77,197
Cost of food sales	1,781,662	-	1,781,662
Other	-	228,112	228,112
Total Expenditures	1,781,662	305,309	2,086,971
Excess (Deficiency) of Revenues Over Expenditures	(72,010)	46,930	(25,080)
FUND BALANCES			
Beginning of Year	835,861	322,210	1,158,071
End of Year	\$ 763,851	\$ 369,140	\$ 1,132,991

See independent auditors' report.

Harrison Central School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2024

Adopted Budget	\$ 135,268,436
Encumbrances	<u>1,016,895</u>
Original Budget	136,285,331
Budget Amendments	<u>823,483</u>
Final Budget	<u><u>\$ 137,108,814</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

2024-25 Expenditure Budget	<u>\$ 141,556,140</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 2,313,516
Unassigned fund balance	<u>5,662,245</u>
Total Unrestricted Fund Balance	<u>7,975,761</u>
Less	
Appropriated for subsequent year's budget	1,575,000
Encumbrances	<u>738,516</u>
Total Adjustments	<u><u>2,313,516</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 5,662,245</u></u>
Actual Percentage	<u><u>4.00%</u></u>

See independent auditors' report.

Harrison Central School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2024

Capital Assets, net		\$ 92,651,927
Less		
General obligation bonds payable	\$ (40,575,000)	
Energy performance contract debt payable	<u>(5,041,041)</u>	<u>(45,616,041)</u>
Net Investment in Capital Assets		<u><u>\$ 47,035,886</u></u>

See independent auditors' report.

(This page intentionally left blank)



**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
Harrison Central School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Harrison Central 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 2, 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 2, 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
Harrison Central School District, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Harrison Central 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 2, 2024

Harrison Central 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>				
School Breakfast Program	10.553	N/A	\$ -	\$ 55,235
School Lunch Program - Commodities	10.555	N/A	-	15,244
National School Lunch Program - Cash	10.555	N/A	-	441,296
Total U.S. Department of Agriculture			-	511,775
<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	0032-24-1066		949,152
Special Education - Preschool Grants	84.173	0033-24-1066	-	21,335
Subtotal Special Education Cluster			-	970,487
Title I Grants to Local Educational Agencies	84.010	0021-24-3695	-	448,348
English Language Acquisition State Grants	84.365	0293-23-3695	-	44,222
English Language Acquisition State Grants	84.365	0293-24-3695	-	44,593
English Language Acquisition State Grants	84.365	0149-23-3695	-	2,451
			-	91,266
Supporting Effective Instruction State Grants	84.367	0147-23-3695	-	1,500
Supporting Effective Instruction State Grants	84.367	0147-24-3695	-	74,725
			-	76,225
Student Support and Academic Enrichment Program	84.424	0204-23-3695	-	27,520
Student Support and Academic Enrichment Program	84.424	0204-24-3695	-	4,211
			-	31,731
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425R	5891-21-3695	-	103,200
American Rescue Plan (ARP) ESSER II	84.425U	5880-21-3695	-	1,264,539
			-	1,367,739
Total U.S. Department of Education			-	2,985,796
Total Expenditures of Federal Awards			\$ -	\$ 3,497,571

The accompanying notes are an integral part of this schedule.

Harrison Central 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 Harrison Central 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.

(This page intentionally left blank)

Harrison Central 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 X No
____ Yes X None reported

Noncompliance material to financial statements
noted?

____ Yes X No

Federal Awards

Internal control over major federal programs:

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

____ Yes X No
____ Yes X None reported

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

Unmodified

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

____ Yes X No

Identification of major federal programs:

Assistance Listing Numbers

Name of Federal Program or Cluster

84.027
84.173

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

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

\$750,000

Auditee qualified as low-risk auditee?

 X Yes ____ No

Harrison Central 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