

**Blind Brook - Rye Union Free  
School District, New York**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2024



# Blind Brook - Rye Union Free School District, New York

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## **Independent Auditors' Report**

**The Board of Education of the  
Blind Brook - Rye Union Free School District, New York**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Blind Brook – Rye Union Free School District, New York ("School District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements 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 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 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 11, 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 11, 2024

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

**Independent Auditors' Report**

**The Board of Education of the  
Blind Brook - Rye Union Free School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Blind Brook - Rye Union Free School District, New York ("School District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 11, 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 11, 2024

**Blind Brook - Rye Union Free School District  
Rye Brook, New York**

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

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This discussion and analysis of the Blind Brook - Rye Union Free School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2024. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the School District's financial performance.

**Financial Highlights**

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

- The School District's *total* fund balance within its General Fund was \$9,799,470 for the year ended June 30, 2024. The amount of *unassigned* fund balance that can be retained by the General Fund is limited to no more than 4% of the ensuing year's budget. At the end of the current fiscal year, the unassigned portion of the total fund balance of the General Fund was \$2,399,043, or 4.00%, and therefore at the statutory limit.
- As of the close of the 2023-2024 fiscal year, the School District's governmental fund financial statements report a combined total ending fund balance of \$10,616,422, an increase of \$983,393 from the prior year's ending fund balance of \$9,633,029. The major factors driving the increase in combined total fund balance is the increase in the fund balance of the General Fund of \$2,095,767, partially offset by a decrease in the fund balance of the Capital Projects Fund of \$716,607.
- It is also noteworthy that the School District was able to fund a contribution to the restricted component of fund balance in the General Fund for future capital projects in the amount of \$1,151,230, including interest. On May 16, 2023, the voters approved the establishment of a "Capital Reserve Fund 2022" for the purpose of providing for future capital improvements for buildings and other improvement projects. The voters authorized that the maximum amount that could be contributed for this purpose would be \$15 million, plus interest, over a ten-year period. Any amounts to be spent from this resource will also require future voter approval. Voters approved use of \$508,025 in May 2024 for the purpose of partially funding the replacement of the High School turf field. The public will be voting on a proposition in October 2024 to utilize \$1,151,229 of the Capital Reserve Fund 2022 to assist in providing partial funding of a proposed capital project totaling \$19,500,000. Also noteworthy about the total combined fund balance is that it includes an amount restricted for debt service of \$234,174, which will be used to help offset debt service obligations in future periods.
- The General Fund's overall (total) fund balance increased by \$2,095,767 and the General Fund's unassigned fund balance of \$2,399,043 represents approximately 24.48% of its total fund balance. The increase of \$1,748,195 in the restricted balances reflects a decision by the School District to continue to fund reserves to help protect the School District against future uncertainties.
- Of special note is the fact that the School District was able to budget \$1,208,884 as an appropriated surplus contribution to reduce the tax levy associated with the 2024-2025 budget compared to \$1,000,000 for the same purpose with the 2023-2024 budget. Favorable School District financial operations have permitted these management actions in recent years.
- 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 the close of its most recent fiscal year by \$52,649,920. This represented an increase in the deficit of \$559,559 for the year ended June

30, 2024. primarily due to changes in both pension and other postemployment benefit liabilities and related deferred inflows/outflows of resources.

- The School District is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the School District has recognized substantial liabilities in the district-wide financial statements for these benefits. As of June 30, 2024, the School District had liabilities of \$90,654,529 for other postemployment benefits recorded in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"). The School District also reported \$1,711,490 for its proportionate share of the net pension liability of the New York State and Local Employees' Retirement System ("ERS") and \$1,331,218 for its proportionate share of the net pension liability of the New York State Teachers' Retirement System ("TRS") recorded in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*". More detailed information about the School District's OPEB and pension reporting is presented in Note 3D in the notes to financial statements.
- The School District retired \$3,425,000 of bonded indebtedness, \$208,364 in obligations associated with its energy performance contract, \$43,828 of its installment purchase debt and \$570,208 of its commitments under various leases. The School District also entered into new lease agreements for equipment and buses aggregating \$626,872.

### **Overview of the Financial Statements**

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

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

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

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

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

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local

governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

- *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The School District maintains seven individual governmental funds; General Fund, Special Aid Fund, Capital Projects Fund, School Lunch Fund, Special Purpose Fund, Debt Service Fund, and Permanent 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, which are considered to be major funds. Data for the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided within the basic financial statements to demonstrate compliance with the budget.
- The *Fiduciary Funds* are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*", the School District had no such activity to report in this fund category.

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

### *Notes to Financial Statements*

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

### *Other Information*

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

## District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$52,649,920 for the year ending June 30, 2024.

### Net Position

	June 30,	
	2024	2023
Current Assets	\$ 15,698,903	\$ 14,124,837
Capital Assets, net	81,513,903	80,551,129
<b>Total Assets</b>	<b>97,212,806</b>	<b>94,675,966</b>
Deferred Outflows of Resources	29,665,587	35,042,293
Current Liabilities	5,401,666	4,823,154
Long-Term Liabilities	146,062,548	144,524,093
<b>Total Liabilities</b>	<b>151,464,214</b>	<b>149,347,247</b>
Deferred Inflows of Resources	28,064,099	32,461,373
<b>Net Position</b>		
Net Investment in Capital Assets	33,323,830	29,574,602
Restricted for		
Capital Projects	91,173	-
Future Capital Projects	1,151,230	515,847
Debt Service	234,174	652,585
Tax Certiorari	246,211	43,858
Retirement Contributions - ERS	1,657,279	1,550,778
Retirement Contributions - TRS	882,750	434,527
Worker's Compensation Benefits	109,353	103,785
Insurance	361,082	34,245
Property Loss	16,401	15,566
Special Purposes	316,560	285,954
Permanent Fund	2,745	2,690
Unrestricted	(91,042,708)	(85,304,798)
<b>Total Net Position</b>	<b>\$ (52,649,920)</b>	<b>\$ (52,090,361)</b>

Total assets increased by \$2,536,840 from the prior year. Cash and equivalents and investments increased by \$1,157,767 primarily due to positive General Fund surplus.

Long-term liabilities, which consist of general obligation bonds, energy performance contract debt, lease liability, net pension liabilities for ERS and TRS, and OPEB liabilities, increased by \$1,538,455 from the previous year. The OPEB liability increased by \$6,735,403 due in part to an increase in the discount rate. The ERS and TRS net pension liabilities reported in the prior year decreased in the current year by \$1,363,111. The School District retired \$3,425,000 in previously issued general obligation bonded indebtedness, \$208,364 in energy performance contract debt, \$43,828 of installment purchase debt and

\$570,208 in lease liabilities. These reductions were partly offset by the issuance of obligations in the amount of \$626,872 for new leases of equipment and buses.

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

Those assets subject to external restrictions constitute \$5,068,958 of net position. There is a negative balance of unrestricted net position of \$91,042,708 primarily the result of the recognition of the OPEB and pension liabilities.

This deficit does not mean that the School District does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including compensated absences (\$414,531), retirement incentives (\$55,000), net pension liabilities for ERS and TRS (\$1,711,490 and \$1,331,218, respectively) and OPEB liabilities (\$90,654,529) that are greater than currently available resources. Payments for these liabilities will be budgeted in the years that the actual payments will be made.

## Changes in Net Position

	June 30,	
	2024	2023
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 1,251,923	\$ 1,198,260
Operating Grants and Contributions	1,198,341	1,280,517
Capital Grants and Contributions	118,696	139,527
Total Program Revenues	2,568,960	2,618,304
General Revenues		
Real Property Taxes	48,991,438	44,856,945
Other Tax Items	806,985	952,629
Non-Property Taxes	729,513	701,505
Unrestricted Use of Money and Property	653,469	415,482
Sale of Property and Compensation for Loss	-	8,476
Unrestricted State Aid	4,824,149	3,900,736
Miscellaneous	445,800	200,953
Total General Revenues	56,451,354	51,036,726
Total Revenues	59,020,314	53,655,030
<b>PROGRAM EXPENSES</b>		
General Support	5,776,560	5,591,820
Instruction	49,650,818	45,283,122
Pupil Transportation	2,031,484	1,924,134
Cost of Food Sales	632,763	566,966
Other	268,499	208,736
Interest	1,219,749	1,311,341
Total Expenses	59,579,873	54,886,119
Change in Net Position	(559,559)	(1,231,089)
<b>NET POSITION</b>		
Beginning	(52,090,361)	(50,859,272)
Ending	\$ (52,649,920)	\$ (52,090,361)

As seen above, governmental activities decreased the School District's net position by \$559,559 during the current fiscal year. Noteworthy is the impact on this schedule of the requirements of recognizing OPEB and pension expenses in accordance with applicable pronouncements. Other changes in these activities are described below:

### *Revenues*

- Real property taxes (\$48,991,438) increased by \$4,134,493, or 9.2%. This was a result after appropriating \$1,000,000 of surplus to reduce the levy increase in the 2023-2024 fiscal year. It is noteworthy that the final calculated tax levy was over the maximum allowable limit associated with the NYS Real Property Tax Cap Legislation. This was achieved with a 72.2% pass rate exceeding the 60% supermajority required to exceed the tax cap.

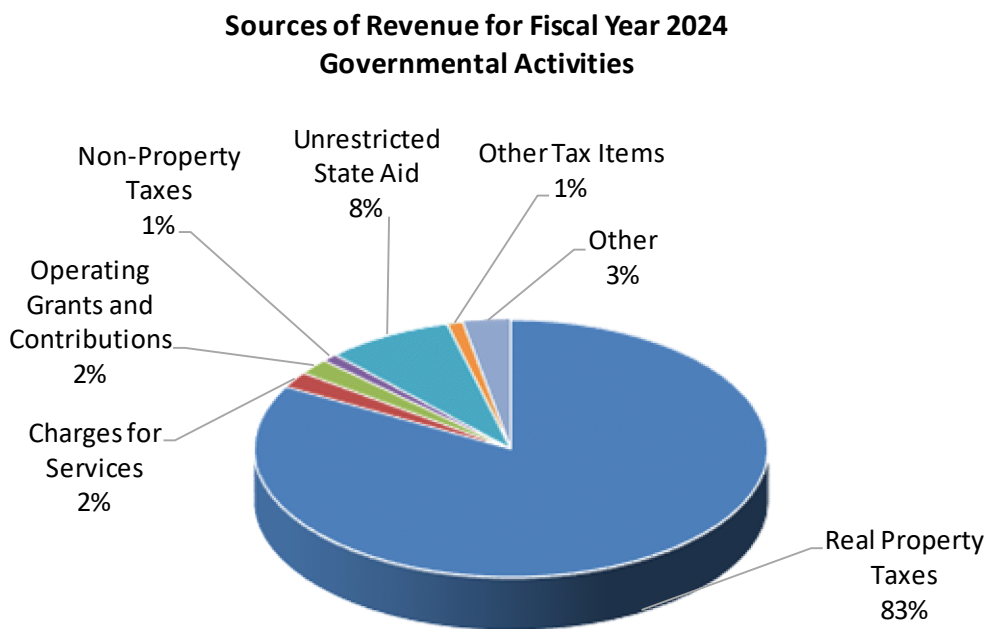


- The School District received \$653,469 in unrestricted interest earnings in 2023-2024, \$237,987 more than it received in the prior year because of increasing interest rates throughout the year.
- Non-property taxes (\$729,513) increased by \$28,008 from the prior year reflecting an increase in sales tax revenue received by the School District from Westchester County in 2023-2024. The extent of this increase is likely due to increased gross sales related to inflation in gas prices and other goods.
- Unrestricted State Aid allocated to the School District increased by \$923,413 from prior year amounts mainly because of an increase in foundation aid (\$581,397) and BOCES aid (\$307,056).

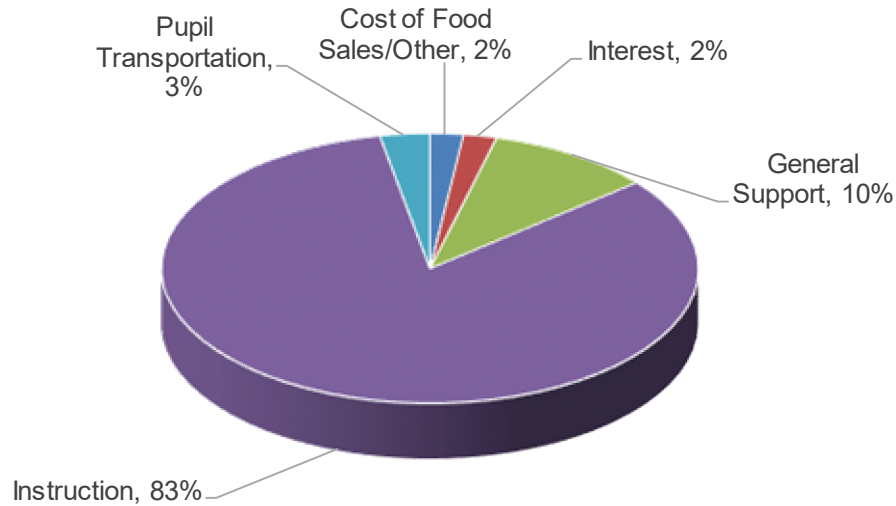
### *Expenses*

- General Support expenses increased by \$184,740 in 2023-2024. The increase was primarily due to increased long term maintenance costs, increases in salary expenses and the increase in OPEB and pension liabilities and related deferred inflows/outflows of resources.
- Instruction program expenses increased by \$4,367,696 from the prior year primarily due to the increase in pension and OPEB liabilities, along with contractual salary increases.
- Pupil transportation costs increased by \$107,350 from the prior year. This was related to increased costs for out of district transportation and sports and field trips.

As indicated on the charts located below, the School District relies upon real property taxes as its primary revenue source. The School District's instruction costs account for 83% of its expenses.



### Expenses for Fiscal Year 2024 Governmental Activities



### Financial Analysis of the School District's Funds

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

#### *Governmental Funds*

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

As of the end of the current fiscal year, the School District's governmental fund financial statements report a combined total ending fund balance of \$10,616,422, an increase of \$983,393 from the prior year's ending fund balance of \$9,633,029. As previously stated, the major factor driving this growth was the increase in the fund balance of the General Fund of \$2,095,767, partially offset by the use of \$716,607 of the remaining balance within the Capital Projects Fund and the use of \$513,058 from the fund balance of the Debt Service Fund to offset debt payments. It is noteworthy that the General Fund's total unassigned fund balance increased to \$2,399,043, or 4.0 %, of the 2024-2025 budget. Overall, this balance increased by \$115,889 and is attributable to management's commitment to continue to fund it up to the amount allowed by law.

### General Fund Budgetary Highlights

The General Fund is the primary operating fund of the School District. The adopted budget for fiscal year 2023-2024 of \$57,078,851 was increased by \$1,580,075 because of the rollover of prior year encumbrances and the appropriation of fund balance restricted for employee benefit accrued liability and capital projects. As is typical during the fiscal year, appropriation transfers within the budget were made to address the operational needs of the School District. The final adjusted budget for the fiscal year ending June 30, 2024 was \$58,658,926.

During the 2023-2024 fiscal year, revenues exceeded expenditures and other financing uses by \$2,095,767. This was a result of a combination of expenditure savings and higher revenue receipts, particularly sales tax distributions from the County, interest earnings and state aid.

At the end of the fiscal year, the total fund balance of the General Fund was \$9,799,470. The amount of unassigned fund balance that can be retained by the General Fund is limited to no more than 4% of the ensuing year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,399,043 or 4.0%, and therefore at this statutory limit.

The following table outlines the various balances that comprise the total fund balance as of June 30, 2024 according to their GASB Statement No. 54 classifications along with what the former classifications would have been. More detailed information about the School District's fund balance is presented in Note 3G in the notes to financial statements.

### **Total Fund Balance Classifications**

<u>GASB Statement No. 54 Classification</u>	<u>Previous Classifications</u>	<u>Fund Balance</u>
Nonspendable Fund Balance	Reserved for Prepaid Expenditures	\$ 559,452
	Reserved for Inventories (School Lunch Fund)	1,606
	Reserved for Trust (Permanent Fund)	<u>1,000</u>
		<u>562,058</u>
Restricted Fund Balance	Reserved for Tax Certiorari	246,211
	Reserved for Employee Benefit Accrued Liability	383,385
	Reserved for Retirement Contributions - ERS	958,687
	Reserved for Retirement Contributions - ERS- for subsequent year's expenditures	698,592
	Reserved for Retirement Contributions - TRS	882,750
	Reserved for Workers' Compensation	109,353
	Reserved for Insurance	361,082
	Reserved for Property Loss	16,401
	Capital Projects (Capital Projects Fund)	198,417
	Future Capital Projects	1,151,230
	Special Purposes	316,560
	Reserved for Debt Service (Debt Service Fund)	234,174
	Permanent Fund Unreserved Fund Balance	<u>1,745</u>
		<u>5,558,587</u>
Assigned Fund Balance	Reserved for Encumbrances:	
	General Government Support	550,933
	Instruction	272,691
	Transportation	776
	Appropriated Fund Balance – General Fund	1,208,884
	School Lunch Fund Unreserved Fund Balance	<u>63,450</u>
		<u>2,096,734</u>
Unassigned Fund Balance	Unreserved and Undesignated - General Fund	<u>2,399,043</u>
Total Fund Balance (as of 6/30/24)		<u>\$ 10,616,422</u>

### Capital Assets

At June 30, 2024, the School District had capital assets of \$81,513,903, net of accumulated depreciation/amortization, invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment, right-to-use leased equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation/amortization, is as follows:

Class	June 30,	
	2024	2023
Land	\$ 985,788	\$ 985,788
Construction-in-Progress	555,636	43,694,188
Buildings and Improvements	77,697,260	33,655,883
Machinery and Equipment	676,406	739,177
Right-to-Use Leased Equipment	1,598,813	1,476,093
Total Capital Assets, net of accumulated depreciation	<u>\$ 81,513,903</u>	<u>\$ 80,551,129</u>

The change in capital assets during the current fiscal year results from the winding down of construction on the \$50.7 million District-Wide Capital Improvement project, along with the start of the MS/HS Turf Field Replacement project and the leasing of computers and buses.

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

### Long-Term Debt

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

	June 30,	
	2024	2023
Bonds Payable	\$ 48,945,131	\$ 52,554,473
Energy Performance		
Contract Payable	1,474,891	1,683,255
Installment Purchase Debt	44,262	88,090
Leases Payable	1,431,496	1,374,832
Compensated Absences	414,531	388,498
Net Pension Liability - ERS	1,711,490	2,181,595
Net Pension Liability - TRS	1,331,218	2,224,224
Retirement Incentive Payable	55,000	110,000
Other Post Employment Benefit Liability	<u>90,654,529</u>	<u>83,919,126</u>
Total	<u>\$ 146,062,548</u>	<u>\$ 144,524,093</u>

During the 2023-2024 fiscal year, the School District retired \$3,425,000 in general obligation serial bonds, \$208,364 in energy performance contract debt, \$43,828 in installment purchase debt and \$570,208 in lease liabilities. The School District issued \$626,872 in lease payable obligations primarily for IT purchases and two school buses. The School District recorded its decrease in the net pension liability to ERS and

TRS as required by the provisions of GASB Statement No. 68. The School District's other postemployment benefit liability was recorded in accordance with the provisions of GASB Statement No. 75. This liability is generally expected to grow overtime as at this time the School District is permitted by New York State only to fund its pay-as-you-go obligations for health insurance. More detailed information about the School District's long-term liabilities is presented in Note 3D in the notes to financial statements.

## **Conclusion**

The School District is financially sound; it maintains a credit rating of Aa2. Despite uncertain economic times, rising personnel costs, additional State Education Department mandates, and particularly ambitious educational goals, the School District is prepared to meet future challenges. It has positioned the educational, financial, and human resources necessary to remain a stable and strong municipal entity ready to serve all school-aged children of the Blind Brook community with an educational plan that provides academic rigor and high standards. But perhaps most relevant and important is the support for public education that the Blind Brook community has always demonstrated since the School District was established 50 years ago. This was further demonstrated this past year with a 72.2% pass rate for a budget exceeding the maximum tax cap. The Blind Brook Public Schools are truly the cornerstone of this community.

From an operational standpoint, there are clear school board policies guiding fiscal and budgetary matters. Effective internal controls are in place in the School District's business office and a prudent budget process occurs whereby spending is always computed based on what is best for students. Annual budgets are approved by the School Board and resident voters each year.

The School District heavily depends on its real property taxes, which represent approximately 83% of its revenue, exclusive of STAR funds. The 2023-2024 tax levy exceeded the cap by 6.93% and passed on its second vote with a 72.2% majority. The challenge of presenting a fiscally responsible budget while meeting the needs of children will continue to require effective and efficient management of School District operations now and in future years. This is especially true considering the property tax cap law, enacted in Chapter 97 of the Laws of 2011, and extended by Chapter 20 of the Laws of 2015, is now a permanent cap which restricts tax levy increases for New York State local governments including public school districts.

Despite all of the uncertainty facing the School District, a clear and present silver lining is the total fund balance within its General Fund of \$9,799,470 for the year ended June 30, 2024 and the amount of unassigned fund balance totaling \$2,399,043, or 4.0% of the 2024-2025 budget. It has an additional \$2,033,284 in its assigned fund balances, of which \$1,208,884 has been appropriated to the 2024-2025 budget, and it has a restricted fund balance of \$4,807,691.

Importantly, this School District and Board monitor its fiscal health through analyses of monthly financial reports and the utilization of various audits. These analyses and audits assist in identifying areas of potential financial stress, developing realistic budgets that serve the academic and emotional needs of students, as well as, in making timely decisions when faced with important financial decisions. There are four types of auditors that assist in the School District setting: claims auditor, internal auditor, external auditor, and NY State auditors. Each has a very important role in ensuring that the School District is financially solvent and that the School Board upholds its fiduciary responsibilities to its community. Each audit that has been performed over the past 20 years, has informed that the School District's financial operations are executed in accordance with state laws and/or existing School Board policies and administrative regulations.

The audited financial statements that follow capture relevant data thus, validating the overall financial position of the School District for the year ending June 30, 2024.

## **Requests for Information**

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

Blind Brook-Rye Union Free School District  
Attention: Laurie Baum, Assistant Superintendent for Finance & Facilities  
390 North Ridge Street  
Rye Brook, New York 10573  
lbaum@blindbrook.org

**Blind Brook - Rye Union Free School District, New York**

## Statement of Net Position

June 30, 2024

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 908,147
Investments	12,840,967
Receivables	
Accounts	95,446
State and Federal aid	1,112,591
Due from other governments	180,694
Inventories	1,606
Prepaid expenses	559,452
Capital assets	
Not being depreciated	1,541,424
Being depreciated, net	79,972,479
 Total Assets	 97,212,806
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding bonds	8,463
Pension related	11,018,328
OPEB related	18,638,796
 Total Deferred Outflows of Resources	 29,665,587
<b>LIABILITIES</b>	
Accounts payable	2,113,075
Accrued liabilities	151,735
Employee payroll deductions	268
Unearned revenues	52,728
Due to other governments	46,325
Due to retirement systems	2,718,350
Accrued interest payable	319,185
Non-current liabilities	
Due within one year	6,317,123
Due in more than one year	136,155,425
 Total Liabilities	 147,874,214
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	1,581,465
OPEB related	26,482,634
 Total Deferred Inflows of Resources	 28,064,099
<b>NET POSITION</b>	
Net investment in capital assets	33,323,830
Restricted	
Capital projects	91,173
Future capital projects	1,151,230
Debt service	234,174
Tax certiorari	246,211
Retirement contributions - ERS	1,657,279
Retirement contributions - TRS	882,750
Workers' compensation benefits	109,353
Insurance	361,082
Property loss	16,401
Special purposes	
Extraclassroom activities	87,396
Other	229,164
Permanent Fund	2,745
Unrestricted	(91,042,708)
 Total Net Position	 \$ (52,649,920)

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

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# Blind Brook - Rye Union Free School District, New York

## Statement of Activities Year Ended June 30, 2024

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 5,776,560	\$ 57,503	\$ 155,336	\$ 24,049	\$ (5,539,672)
Instruction	49,650,818	522,461	749,866	-	(48,378,491)
Pupil transportation	2,031,484	55,954	-	-	(1,975,530)
Cost of food sales	632,763	616,005	8,741	-	(8,017)
Other	268,499	-	284,398	-	15,899
Interest	1,219,749	-	-	94,647	(1,125,102)
<b>Total Governmental Activities</b>	<b>\$ 59,579,873</b>	<b>\$ 1,251,923</b>	<b>\$ 1,198,341</b>	<b>\$ 118,696</b>	<b>(57,010,913)</b>
General revenues					
Real property taxes					48,991,438
Other tax items					
School tax relief reimbursement					806,985
Non-property taxes					
Non-property tax distribution from County					729,513
Unrestricted use of money and property					653,469
Unrestricted State aid					4,824,149
Miscellaneous					445,800
<b>Total General Revenues</b>					<b>56,451,354</b>
<b>Change in Net Position</b>					<b>(559,559)</b>
<b>Net Position - Beginning</b>					<b>(52,090,361)</b>
<b>Net Position - Ending</b>					<b>\$ (52,649,920)</b>

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

**Blind Brook - Rye Union Free School District, New York**

Balance Sheet  
Governmental Funds  
June 30, 2024

	General	Special Aid	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 499,682	\$ 88,613	\$ 1,891
Investments	10,901,249	-	1,657,211
Receivables			
Accounts	95,446	-	-
State and Federal aid	1,040,767	71,824	-
Due from other governments	180,694	-	-
Due from other funds	124,939	-	-
Inventories	-	-	-
Prepaid expenditures	559,452	-	-
Total Assets	<u>\$ 13,402,229</u>	<u>\$ 160,437</u>	<u>\$ 1,659,102</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 638,826	\$ 60,835	\$ 1,365,987
Accrued liabilities	151,735	-	-
Employee payroll deductions	268	-	-
Unearned revenues	43,256	1,737	-
Due to other funds	3,999	97,865	94,698
Due to other governments	46,325	-	-
Due to retirement systems	2,718,350	-	-
Total Liabilities	<u>3,602,759</u>	<u>160,437</u>	<u>1,460,685</u>
Fund balances			
Nonspendable	559,452	-	-
Restricted	4,807,691	-	198,417
Assigned	2,033,284	-	-
Unassigned	2,399,043	-	-
Total Fund Balances	<u>9,799,470</u>	<u>-</u>	<u>198,417</u>
Total Liabilities and Fund Balances	<u>\$ 13,402,229</u>	<u>\$ 160,437</u>	<u>\$ 1,659,102</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 317,961	\$ 908,147
282,507	12,840,967
-	95,446
-	1,112,591
-	180,694
94,698	219,637
1,606	1,606
-	559,452
<u>\$ 696,772</u>	<u>\$ 15,918,540</u>

\$ 47,427	\$ 2,113,075
-	151,735
-	268
7,735	52,728
23,075	219,637
-	46,325
-	2,718,350
<u>78,237</u>	<u>5,302,118</u>

2,606	562,058
552,479	5,558,587
63,450	2,096,734
-	2,399,043
<u>618,535</u>	<u>10,616,422</u>

<u>\$ 696,772</u>	<u>\$ 15,918,540</u>
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**Blind Brook - Rye Union Free School District, New York**Reconciliation of Governmental Funds Balance Sheet to  
the District-Wide Statement of Net Position  
June 30, 2024

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

Fund Balances - Total Governmental Funds	\$ 10,616,422
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	1,541,424
Capital assets - depreciable/amortizable	110,564,266
Accumulated depreciation/amortization	<u>(30,591,787)</u>
	81,513,903
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	11,018,328
Deferred outflows - OPEB related	18,638,796
Deferred inflows - pension related	(1,581,465)
Deferred inflows - OPEB related	<u>(26,482,634)</u>
	1,593,025
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(319,185)
General obligation bonds payable	(44,695,000)
Energy performance contract payable	(1,474,891)
Financed purchase	(44,262)
Leases payable	(1,431,496)
Compensated absences	(414,531)
Net pension liability - ERS	(1,711,490)
Net pension liability - TRS	(1,331,218)
Retirement incentive payable	(55,000)
Total OPEB Liability	<u>(90,654,529)</u>
	(142,131,602)
Governmental funds report the effect of premiums, discounts, and refundings similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	8,463
Premium on general obligation bonds	<u>(660,131)</u>
	(651,668)
Net Position of Governmental Activities	<u>\$ (49,059,920)</u>

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

**Blind Brook - Rye Union Free School District, New York**

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

	General	Special Aid	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 48,991,438	\$ -	\$ -
Other tax items	806,985	-	-
Non-property taxes	729,513	-	-
Charges for services	578,415	-	-
Use of money and property	890,357	-	-
State aid	4,933,415	93,044	-
Federal aid	-	424,014	-
Food sales	-	-	-
Miscellaneous	445,800	-	-
Total Revenues	<u>57,375,923</u>	<u>517,058</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current			
General support	5,238,713	-	-
Instruction	30,906,589	544,435	-
Pupil transportation	1,627,986	-	-
Employee benefits	11,802,460	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	4,247,400	-	-
Interest	1,410,616	-	-
Capital outlay	-	-	1,875,552
Total Expenditures	<u>55,233,764</u>	<u>544,435</u>	<u>1,875,552</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,142,159</u>	<u>(27,377)</u>	<u>(1,875,552)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Leases issued	-	-	626,872
Transfers in	513,058	27,377	532,073
Transfers out	(559,450)	-	-
Total Other Financing Sources (Uses)	<u>(46,392)</u>	<u>27,377</u>	<u>1,158,945</u>
Net Change in Fund Balances	2,095,767	-	(716,607)
<b>FUND BALANCES</b>			
Beginning of Year	<u>7,703,703</u>	<u>-</u>	<u>915,024</u>
End of Year	<u>\$ 9,799,470</u>	<u>\$ -</u>	<u>\$ 198,417</u>

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 48,991,438
-	806,985
-	729,513
-	578,415
105,477	995,834
-	5,026,459
-	424,014
616,003	616,003
405,853	851,653
<u>1,127,333</u>	<u>59,020,314</u>
-	5,238,713
108,780	31,559,804
-	1,627,986
-	11,802,460
632,763	632,763
268,499	268,499
-	4,247,400
-	1,410,616
-	1,875,552
<u>1,010,042</u>	<u>58,663,793</u>
<u>117,291</u>	<u>356,521</u>
-	626,872
-	1,072,508
<u>(513,058)</u>	<u>(1,072,508)</u>
<u>(513,058)</u>	<u>626,872</u>
(395,767)	983,393
<u>1,014,302</u>	<u>9,633,029</u>
<u>\$ 618,535</u>	<u>\$ 10,616,422</u>

**Blind Brook - Rye Union Free School District, New York**

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

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 983,393</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/amortization expense.	
Capital outlay expenditures	2,702,699
Depreciation/amortization expense	<u>(1,739,925)</u>
	<u>962,774</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. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Leases issued	(626,872)
Principal paid on serial bonds	3,425,000
Principal paid on energy performance contract debt	208,364
Principal paid on leases	570,208
Principal paid on financed purchase debt	<u>43,828</u>
	<u>3,620,528</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	12,161
Compensated absences	(26,033)
Retirement incentive payable	55,000
Changes in pension liabilities and related deferred outflows and inflows of resources	(1,910,967)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(4,435,121)
Amortization of loss on refunding bonds and issuance premium	<u>178,706</u>
	<u>(6,126,254)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (559,559)</u></u>

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



**Blind Brook - Rye Union Free School District, New York**

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 48,991,438	\$ 48,991,438	\$ 48,991,438	\$ -
Other tax items	806,985	806,985	806,985	-
Non-property taxes	550,000	550,000	729,513	179,513
Charges for services	535,210	535,210	578,415	43,205
Use of money and property	180,000	180,000	890,357	710,357
State aid	4,416,001	4,416,001	4,933,415	517,414
Miscellaneous	86,159	274,513	445,800	171,287
Total Revenues	55,565,793	55,754,147	57,375,923	1,621,776
<b>EXPENDITURES</b>				
Current				
General support	5,977,628	6,192,485	5,238,713	953,772
Instruction	31,819,130	31,995,365	30,906,589	1,088,776
Pupil transportation	1,869,117	1,902,509	1,627,986	274,523
Employee benefits	12,554,037	12,328,940	11,802,460	526,480
Debt service				
Principal	4,241,896	4,257,838	4,247,400	10,438
Interest	1,425,252	1,410,716	1,410,616	100
Total Expenditures	57,887,060	58,087,853	55,233,764	2,854,089
Excess (Deficiency) of Revenues Over Expenditures	(2,321,267)	(2,333,706)	2,142,159	4,475,865
<b>OTHER FINANCING USES</b>				
Transfers in	513,058	513,058	513,058	-
Transfers out	(39,000)	(571,073)	(559,450)	11,623
Total Other Financing Sources (Uses)	474,058	(58,015)	(46,392)	11,623
Net Change in Fund Balance	(1,847,209)	(2,391,721)	2,095,767	4,487,488
<b>FUND BALANCE</b>				
Beginning of Year	1,847,209	2,391,721	7,703,703	5,311,982
End of Year	\$ -	\$ -	\$ 9,799,470	\$ 9,799,470

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

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

The Blind Brook - Rye Union Free School District, New York ("School District"), as presently constituted, was established in 1950 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.

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

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

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 explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

**Fund Categories**

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

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

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

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

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 lunch program 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.

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

Permanent Fund - The Permanent Fund is used to account for assets that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs.

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*," the School District had no such activity to report in this fund category.

**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.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liabilities, retirement incentives payable 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

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

other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

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

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

The School District's position in the pool at June 30, 2024 is \$12,799,964 and is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

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

The School District also participates in the New York Liquid Assets Fund ("NYLAF"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. NYLAF has designated PMA Asset Management, LLC as its registered investment advisor.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The School District's position in the pool at June 30, 2024 is \$41,003 and is equal to the value of the pool shares.

Additional information concerning the NYLAF is presented in the annual report, which may be obtained from the Governing Board c/o PMA Financial Network, LLC, 300 Westage Business Center Drive, Fishkill, NY 12524.

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

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

**Risk Disclosure**

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

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

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

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

**Property Taxes Receivable** - Real property taxes attach as an enforceable lien on real property as of July 1st and are payable in two installments in September and January. The Town of Rye, 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** - Inventories in the School Lunch Fund consist of surplus food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts



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

are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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

**Capital Assets** - Capital assets are tangible and intangible assets, which include property, plant and equipment, and are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets (except intangible right-to-use assets, which is discussed in Note 3B) are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Machinery and Equipment	5-15
Right-to-Use Assets	5-10

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has

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

reported unearned revenues of \$43,256 in the General Fund for tuition paid in advance, \$1,737 in the Special Aid Fund for federal aid received in advance and \$7,735 for meal purchases paid in advance in the School Lunch Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

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

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

**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 applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

**Leases** - The School District is a lessee for noncancellable leases of equipment and vehicles. The School District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the district-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

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

The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise. The School District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use leased assets are reported with other capital assets and right-to-use lease liabilities are reported with long-term liabilities on the Statement of Net Position.

**Compensated Absences** - The various collective bargaining agreements provide for the payment of accumulated vacation 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/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

*Restricted* net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or

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

regulations of other governments. Restricted net position for the School District includes restricted for capital projects, future capital projects, debt service, tax certiorari, retirement contributions, workers' compensation benefits, insurance, property loss, special purposes and Permanent Fund.

*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 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 School District removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or the Assistant Superintendent of Finance and Facilities for the 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

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

the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

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

**F. Encumbrances**

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

**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 result 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 11, 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.

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

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

**Note 2 - Stewardship, Compliance and Accountability (Continued)****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 fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

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

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

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

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 124,939	\$ 3,999
Special Aid	-	97,865
Capital Projects	-	94,698
Non-Major Governmental	94,698	23,075
	<u>\$ 219,637</u>	<u>\$ 219,637</u>

The outstanding balances between funds results 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.

**Blind Brook - Rye Union Free School District, New York**

## Notes to Financial Statements (Continued)

June 30, 2024

**Note 3 - Detailed Notes on All Funds (Continued)****B. Capital Assets**

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

Class	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets, not being depreciated:				
Land	\$ 985,788	\$ -	\$ -	\$ 985,788
Construction-in-progress	43,694,188	1,983,275	45,121,827	555,636
Total Capital Assets, not being depreciated	<u>\$ 44,679,976</u>	<u>\$ 1,983,275</u>	<u>\$ 45,121,827</u>	<u>\$ 1,541,424</u>
Capital Assets, being depreciated/amortized:				
Buildings and Improvements	\$ 60,586,190	\$ 45,127,827	\$ -	\$ 105,714,017
Machinery and Equipment	2,106,975	86,552	-	2,193,527
Right-to-Use Leased Assets	2,029,850	626,872	-	2,656,722
Total Capital Assets, being depreciated/amortized	<u>64,723,015</u>	<u>45,841,251</u>	<u>-</u>	<u>110,564,266</u>
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	26,930,307	1,086,450	-	28,016,757
Machinery and Equipment	1,367,798	149,323	-	1,517,121
Right-to-Use Leased Assets	553,757	504,152	-	1,057,909
Total Accumulated Depreciation/Amortization	<u>28,851,862</u>	<u>1,739,925</u>	<u>-</u>	<u>30,591,787</u>
Total Capital Assets, being depreciated/amortized, net	<u>\$ 35,871,153</u>	<u>\$ 44,101,326</u>	<u>\$ -</u>	<u>\$ 79,972,479</u>
Capital Assets, net	<u>\$ 80,551,129</u>	<u>\$ 46,084,601</u>	<u>\$ 45,121,827</u>	<u>\$ 81,513,903</u>

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

Instruction	\$ 1,568,510
Pupil transportation	150,988
General support	<u>20,427</u>
Total Depreciation/Amortization Expense	<u>\$ 1,739,925</u>

**C. Accrued Liabilities**

Accrued liabilities at June 30, 2024 were as follows:

	<u>General Fund</u>
Payroll and Employee Benefits	<u>\$ 151,735</u>



# Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)  
June 30, 2024

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

### D. 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:					
Capital Construction	\$ 47,915,000	\$ -	\$ 3,220,000	\$ 44,695,000	\$ 3,310,000
Judgments and Claims	3,795,000	-	205,000	3,590,000	210,000
	51,710,000	-	3,425,000	48,285,000	3,520,000
Plus - Unamortized Premium on Bonds	844,473	-	184,342	660,131	-
	52,554,473	-	3,609,342	48,945,131	3,520,000
Energy Performance Contract Payable	1,683,255	-	208,364	1,474,891	213,106
Financed Purchase Debt	88,090	-	43,828	44,262	44,262
Leases Payable	1,374,832	626,872	570,208	1,431,496	490,755
Other Non-current Liabilities:					
Compensated Absences	388,498	65,033	39,000	414,531	41,000
Net Pension Liability - ERS	2,181,595	-	470,105	1,711,490	-
Net Pension Liability - TRS	2,224,224	-	893,006	1,331,218	-
Retirement Incentive Payable	110,000	-	55,000	55,000	55,000
Other Postemployment Benefit Liability	83,919,126	8,768,047	2,032,644	90,654,529	2,163,000
Total Other Non- Current Liabilities	88,823,443	8,833,080	3,489,755	94,166,768	2,259,000
Total Long-Term Liabilities	\$ 144,524,093	\$ 9,459,952	\$ 7,921,497	\$ 146,062,548	\$ 6,527,123

Each governmental fund's liability for general obligation bonds payable, energy performance contract payable, installment purchase debt, leases, compensated absences, net pension liability, retirement incentive payable 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
Refunding Bonds	2014	\$ 10,085,000	November, 2025	5.000 %	\$ 2,230,000
Tax Certiorari	2018	4,752,354	February, 2038	3.000-3.250	3,590,000
District-Wide Reconstruction	2019	44,665,000	October, 2039	2.250-2.500	37,300,000
District-Wide Reconstruction	2022	5,535,000	March, 2042	3.000-5.000	5,165,000
					<u>\$ 48,285,000</u>

## Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

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

Interest expenditures of \$1,334,225 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,145,437 was recorded in the district-wide financial statements.

#### **Energy Performance Contract Payable**

The School District, in January 2015, entered into a \$3,070,767 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provide for repayment over fifteen years, with semi-annual installments of \$122,641, including interest, through July 2030. Payments include interest at 2.26%. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The balance due at June 30, 2024 was \$1,474,891.

Interest expenditures of \$36,917 were recorded in the fund financial statements in the General Fund. Interest expense of \$34,771 was recorded in the district-wide financial statements.

#### **Financed Purchase Debt**

The School District has entered into an agreement to acquire school buses under an installment purchase agreement for \$219,159. The annual payments include interest at 0.99%. The balance due at June 30, 2024 was \$44,262.

Interest expenditures of \$876 were recorded in the fund financial statements in the General Fund. Interest expense of \$943 was recorded in the district-wide financial statements.

#### **Leases Payable**

Leases payable at June 30, 2024 are comprised of the following individual agreements:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2024
Computer Equipment	2021	\$ 329,790	2024	2.4400%	\$ 26,305
Computer Equipment	2021	370,405	2025	2.3800%	123,007
Computer Equipment	2022	90,675	2026	3.3900%	44,913
Computer Equipment	2022	192,814	2026	0.0000%	83,553
Computer Equipment	2023	454,750	2027	0.5706%	281,828
Computer Equipment	2023	113,084	2027	5.3000%	80,099
Buses	2023	478,332	2028	4.6400%	290,760
Computer Equipment	2024	244,959	2028	0.5900%	200,589
Computer Equipment	2024	34,319	2028	8.9900%	30,581
Computer Equipment	2024	60,745	2028	8.2400%	54,012
Buses	2024	286,849	2029	5.4500%	215,849
					<u>\$ 1,431,496</u>

Interest expenditures/expense of \$38,598 were recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

## Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)  
June 30, 2024

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

#### Payments to Maturity

The annual requirements to amortize all bonded, energy performance contract, financed purchase debt outstanding and leases as of June 30, 2024 including interest payments of \$10,381,028 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract		Financed Purchase Debt		Leases		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 3,520,000	\$ 1,220,213	\$ 213,106	\$ 32,176	\$ 44,262	\$ 440	\$ 490,755	\$ 41,269	\$ 4,268,123	\$ 1,294,098
2026	3,615,000	1,102,375	217,955	27,326	-	-	425,799	28,253	4,258,754	1,157,954
2027	2,525,000	1,010,407	222,915	22,366	-	-	355,273	16,450	3,103,188	1,049,223
2028	2,575,000	945,501	227,988	17,293	-	-	147,863	5,175	2,950,851	967,969
2029	2,635,000	879,157	233,176	12,105	-	-	11,806	139	2,879,982	891,401
2030-2034	14,095,000	3,370,575	359,751	8,171	-	-	-	-	14,454,751	3,378,746
2035-2039	15,515,000	1,542,174	-	-	-	-	-	-	15,515,000	1,542,174
2040-2042	3,805,000	99,463	-	-	-	-	-	-	3,805,000	99,463
	<u>\$ 48,285,000</u>	<u>\$ 10,169,865</u>	<u>\$ 1,474,891</u>	<u>\$ 119,437</u>	<u>\$ 44,262</u>	<u>\$ 440</u>	<u>\$ 1,431,496</u>	<u>\$ 91,286</u>	<u>\$ 51,235,649</u>	<u>\$ 10,381,028</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.

#### Compensated Absences

Under the terms of existing collective bargaining agreements, the School District is required to compensate its employees for accumulated vacation and sick time which does not exceed limits stated in the respective agreements. The value of the compensated absences has been reflected in the district-wide financial statements.

#### Pension Plans

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

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

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

may be found at [www.osc.state.ny.us/retire/about\\_us/financial\\_statements\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

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

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	14.9 %
	6 A15	9.5
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	\$ 1,711,490	\$ 1,331,218
School Districts' proportion of the net pension liability	0.0116238 %	0.116407 %
Change in proportion since the prior measurement date	0.0014504 %	0.000495 %

# Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

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

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

For the year ended June 30, 2024, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$4,733,016, (\$859,284 for ERS and \$3,873,732 for TRS). Pension expenditures for ERS of \$598,741 and \$2,223,308 for TRS were recorded in the fund financial statements in the General Fund.

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	\$ 551,270	\$ 46,668	\$ 3,227,850	\$ 7,977
Changes of assumptions	647,076	-	2,866,073	624,645
Net difference between projected and actual earnings on pension plan investments	-	836,054	680,492	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	326,770	18,457	236,388	47,664
School District contributions subsequent to the measurement date	234,434	-	2,247,975	-
	<u>\$ 1,759,550</u>	<u>\$ 901,179</u>	<u>\$ 9,258,778</u>	<u>\$ 680,286</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 3,779,120	\$ 54,645		
Changes of assumptions	3,513,149	624,645		
Net difference between projected and actual earnings on pension plan investments	680,492	836,054		
Changes in proportion and differences between School District contributions and proportionate share of contributions	563,158	66,121		
School District contributions subsequent to the measurement date	2,482,409	-		
	<u>\$ 11,018,328</u>	<u>\$ 1,581,465</u>		

\$234,434 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

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

decrease of the net pension liability in the plan's year ended March 31, 2025. The \$2,247,975 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	\$ -	\$ 640,998
2025	(211,194)	(628,957)
2026	415,259	5,380,413
2027	556,819	416,457
2028	(136,947)	325,487
Thereafter	-	196,119
	<u>\$ 623,937</u>	<u>\$ 6,330,517</u>

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.

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

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

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

Asset Type	ERS March 31, 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.

# Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

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

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:

	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>\$ 5,381,101</u>	<u>\$ 1,711,490</u>	<u>\$ (1,353,395)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 20,275,127</u>	<u>\$ 1,331,218</u>	<u>\$ (14,601,429)</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 31<sup>st</sup>. 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 \$234,434 to ERS and \$2,483,916 to TRS (including employee contributions of \$235,941).



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

*Voluntary Defined Contribution Plan*

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

**Retirement Incentive Payable**

In a prior year, the School District entered into a retirement incentive agreement with an employee. The School District agreed to provide for forty quarterly payments of \$13,750 commencing in July, 2015. The balance due at June 30, 2024 is \$55,000.

**Other Postemployment Benefit Liability (“OPEB”)**

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

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

Inactive employees currently receiving benefit payments	117
Active employees	<u>205</u>
	<u><u>322</u></u>

The School District's total OPEB liability of \$90,654,529 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2022.

The total OPEB liability in the June 30, 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	Varied by years of service and retirement system
Discount rate	4.21%
Healthcare cost trend rates	6.25% for 2024 decreasing to an ultimate rate of 4.14% by 2076
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

**Blind Brook - Rye Union Free School District, New York**

Notes to Financial Statements (Continued)

June 30, 2024

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

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index.

Mortality rates were based on Pub-2010 Teachers and General Employees Headcount-Weighted table projections fully generationally using 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	\$ 83,919,126
Service cost	3,331,850
Interest	3,561,916
Changes of benefit terms	-
Differences between expected and actual experience	3,011,725
Changes of assumptions or other inputs	(1,137,444)
Benefit payments	<u>(2,032,644)</u>
Total OPEB Liability - End of Year	<u>\$ 90,654,529</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21%) or 1 percentage point higher (5.21%) than the current discount rate:

	1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB Liability	<u>\$ 106,441,634</u>	<u>\$ 90,654,529</u>	<u>\$ 77,981,015</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 (5.25% decreasing to 3.14%) or 1 percentage point higher (7.25% decreasing to 5.14%) than the current healthcare cost trend rates:

	1% Decrease (5.25% decreasing to 3.14%)	Current Healthcare Cost Trend Rates (6.25% decreasing to 4.14%)	1% Increase (7.25% decreasing to 5.14%)
Total OPEB Liability	<u>\$ 74,872,985</u>	<u>\$ 90,654,529</u>	<u>\$ 111,178,791</u>

# Blind Brook - Rye Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

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

For the year ended June 30, 2024, the School District recognized OPEB expense of \$6,467,765 in the district-wide financial statements. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 11,042,325	\$ 20,580,151
Differences between expected and actual experience	7,596,471	5,902,483
	<u>\$ 18,638,796</u>	<u>\$ 26,482,634</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	\$ (426,003)
2026	(426,006)
2027	(2,111,168)
2028	(2,753,509)
2029	(2,427,414)
Thereafter	300,262
	<u>\$ (7,843,838)</u>

## E. Revenues and Expenditures

### Interfund Transfers

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

	Transfers In			
Transfers Out	General Fund	Special Aid Fund	Capital Projects Fund	Total
General Fund	\$ -	\$ 27,377	\$ 532,073	\$ 559,450
Non-Major Governmental	513,058	-	-	513,058
	<u>\$ 513,058</u>	<u>\$ 27,377</u>	<u>\$ 532,073</u>	<u>\$ 1,072,508</u>

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

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Special Aid and Capital Projects Fund expenditures and 2) move amounts from the Debt Service Fund to the General Fund to offset debt service obligations.

**F. 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, less unexpended bond proceeds and unrestricted interest earnings.

*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 of the Debt Service Fund with constraints placed on their use by Local Finance Law.

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

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

*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 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.

# Blind Brook - Rye Union Free School District, New York

## Notes to Financial Statements (Continued)

June 30, 2024

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

*Restricted for Permanent Fund* - the component of net position that reports the difference between assets and liabilities of the non-expendable trust with constraints placed on their use by external parties.

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

#### G. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:				
Inventories	\$ -	\$ -	\$ 1,606	\$ 1,606
Prepaid expenditures	559,452	-	-	559,452
Permanent Fund	-	-	1,000	1,000
Total Nonspendable	559,452	-	2,606	562,058
Restricted:				
Tax certiorari	246,211	-	-	246,211
Employee benefit accrued liability	383,385	-	-	383,385
ERS retirement contributions	958,687	-	-	958,687
ERS retirement contributions - for subsequent year's expenditures	698,592	-	-	698,592
TRS retirement contributions	882,750	-	-	882,750
Workers compensation	109,353	-	-	109,353
Insurance	361,082	-	-	361,082
Property loss	16,401	-	-	16,401
Capital projects	-	198,417	-	198,417
Future capital projects	1,151,230	-	-	1,151,230
Special purposes - other	-	-	229,164	229,164
Special purposes - extraclassroom activities	-	-	87,396	87,396
Debt service	-	-	234,174	234,174
Permanent fund	-	-	1,745	1,745
Total Restricted	4,807,691	198,417	552,479	5,558,587
Assigned:				
Purchases on order:				
General government support	550,933	-	-	550,933
Instruction	272,691	-	-	272,691
Transportation	776	-	-	776
	824,400	-	-	824,400
For subsequent year's expenditures -				
General Fund	1,208,884	-	-	1,208,884
School Lunch Fund	-	-	63,450	63,450
Total Assigned	2,033,284	-	63,450	2,096,734
Unassigned	2,399,043	-	-	2,399,043
Total Fund Balances	\$ 9,799,470	\$ 198,417	\$ 618,535	\$ 10,616,422

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

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

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

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

The corpus of the Permanent Fund has been classified as nonspendable to indicate the portion of the trust with constraints placed on its use by external parties.

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 assigned 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.

**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. Counsel estimates these possible refunds can range from \$640,000 to \$1,280,000. Any payments resulting from adverse decisions will be funded in the year the payment is made.

The School District has filed for mediation against its former construction management company, architects, engineers and plumbing contractor with respect to their errors and omissions on the capital improvement project. In response, these parties have each asserted a counterclaim against the School District aggregating approximately \$3.5 million for services allegedly rendered and delay damages. The School District has denied the claims and has asserted damages in the amount to be determined, but no less than the \$6 million for the increased cost of the capital project against all parties for breach of contract and professional liability. These matters are currently in litigation. While the School District has a strong argument in support of its position, it is not possible to express an opinion as to the outcome of this matter.

## **Blind Brook - Rye Union Free School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

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

#### **B. Contingencies**

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

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

#### **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 to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million, an umbrella liability policy with coverage of \$15 million and liability coverage for school board members up to \$1 million.

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 and payroll reported for the prior year. The School District has transferred all related risk to the Plan.

Health benefits are provided to employees through the New York State Health Insurance Program. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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**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 disclosure 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 this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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# Blind Brook - Rye Union Free School District, New York

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

	2024	2023	2022	2021
Total OPEB Liability:				
Service cost	\$ 3,331,850	\$ 3,419,281	\$ 4,885,080	\$ 5,101,442
Interest	3,561,916	2,891,216	2,153,218	2,142,948
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	3,011,725	6,646,848	47,772	(2,071,522)
Changes of assumptions or other inputs	(1,137,444)	(6,386,800)	(21,869,143)	(537,248)
Benefit payments	(2,032,644)	(1,794,223)	(1,740,833)	(1,657,854)
Net Change in Total OPEB Liability	6,735,403	4,776,322	(16,523,906)	2,977,766
Total OPEB Liability – Beginning of Year	83,919,126	79,142,804	95,666,710	92,688,944
Total OPEB Liability – End of Year	<u>\$ 90,654,529</u>	<u>\$ 83,919,126</u>	<u>\$ 79,142,804</u>	<u>\$ 95,666,710</u>
School District's covered-employee payroll	<u>\$ 28,958,103</u>	<u>\$ 27,711,839</u>	<u>\$ 26,320,718</u>	<u>\$ 22,270,573</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>313.05%</u>	<u>302.83%</u>	<u>300.69%</u>	<u>429.57%</u>
Discount Rate	<u>4.21%</u>	<u>4.13%</u>	<u>3.54%</u>	<u>2.16%</u>

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

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

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

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 3,931,264	\$ 2,233,299	\$ 2,317,944
2,933,472	2,503,173	2,236,290
-	(310,774)	-
(12,154,764)	(1,234,751)	-
19,109,345	15,505,292	(3,157,712)
<u>(1,534,367)</u>	<u>(1,466,908)</u>	<u>(1,376,099)</u>
12,284,950	17,229,331	20,423
<u>80,403,994</u>	<u>63,174,663</u>	<u>63,154,240</u> (3)
<u>\$ 92,688,944</u>	<u>\$ 80,403,994</u>	<u>\$ 63,174,663</u>
<u>\$ 25,017,059</u>	<u>\$ 24,744,248</u>	<u>\$ 24,482,203</u>
<u>370.50%</u>	<u>324.94%</u>	<u>258.04%</u>
<u>2.21%</u>	<u>3.50%</u>	<u>3.50%</u>

**Blind Brook - Rye Union Free 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	2023 (2)	2022 (3)	2021 (2)	2020
School District's proportion of the net pension liability (asset)	<u>0.116407%</u>	<u>0.115912%</u>	<u>0.117919%</u>	<u>0.116709%</u>	<u>0.118068%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 1,331,218</u>	<u>\$ 2,224,224</u>	<u>\$ (20,434,160)</u>	<u>\$ 3,224,990</u>	<u>\$ (3,067,407)</u>
School District's covered payroll	<u>\$ 21,722,131</u>	<u>\$ 20,831,463</u>	<u>\$ 20,579,827</u>	<u>\$ 20,055,687</u>	<u>\$ 19,858,267</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>6.13%</u>	<u>10.68%</u>	<u>(99.29%)</u>	<u>16.08%</u>	<u>(15.45%)</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>	<u>102.20%</u>
Discount Rate	<u>6.95%</u>	<u>6.95%</u>	<u>6.95%</u>	<u>7.10%</u>	<u>7.10%</u>

Schedule of Contributions					
	2024	2023	2022	2021	2020
Contractually required contribution	<u>\$ 2,247,975</u>	<u>\$ 2,235,207</u>	<u>\$ 2,041,483</u>	<u>\$ 1,961,258</u>	<u>\$ 1,776,934</u>
Contributions in relation to the contractually required contribution	<u>(2,247,975)</u>	<u>(2,235,207)</u>	<u>(2,041,483)</u>	<u>(1,961,258)</u>	<u>(1,776,934)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 23,032,531</u>	<u>\$ 21,722,131</u>	<u>\$ 20,831,463</u>	<u>\$ 20,579,827</u>	<u>\$ 20,055,687</u>
Contributions as a percentage of covered payroll	<u>9.76%</u>	<u>10.29%</u>	<u>9.80%</u>	<u>9.53%</u>	<u>8.86%</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 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 net pension liability mainly attributable to decrease in plan fiduciary net position due to investment gains.

2019	2018	2017 (2)	2016	2015
<u>0.121176%</u>	<u>0.125340%</u>	<u>0.124916%</u>	<u>0.122283%</u>	<u>0.124797%</u>
<u>\$ (2,191,185)</u>	<u>\$ (952,709)</u>	<u>\$ 1,337,899</u>	<u>\$ (12,701,354)</u>	<u>\$ (13,901,646)</u>
<u>\$ 19,615,220</u>	<u>\$ 19,788,608</u>	<u>\$ 19,509,451</u>	<u>\$ 18,719,625</u>	<u>\$ 18,434,511</u>
<u>(11.17%)</u>	<u>(4.81%)</u>	<u>6.86%</u>	<u>(67.85%)</u>	<u>(75.41%)</u>
<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>
<u>7.25%</u>	<u>7.25%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>
2019	2018	2017	2016	2015
<u>\$ 2,108,948</u>	<u>\$ 1,922,292</u>	<u>\$ 2,319,225</u>	<u>\$ 2,586,952</u>	<u>\$ 3,281,550</u>
<u>(2,108,948)</u>	<u>(1,922,292)</u>	<u>(2,319,225)</u>	<u>(2,586,952)</u>	<u>(3,281,550)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 19,858,267</u>	<u>\$ 19,615,220</u>	<u>\$ 19,788,608</u>	<u>\$ 19,509,451</u>	<u>\$ 18,719,625</u>
<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

**Blind Brook - Rye Union Free 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)	2020 (2)
School District's proportion of the net pension liability (asset)	<u>0.0116238%</u>	<u>0.0101734%</u>	<u>0.0106421%</u>	<u>0.0100865%</u>	<u>0.0102358%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 1,711,490</u>	<u>\$ 2,181,595</u>	<u>\$ (869,950)</u>	<u>\$ 10,044</u>	<u>\$ 2,710,508</u>
School District's covered payroll	<u>\$ 4,653,390</u>	<u>\$ 4,482,485</u>	<u>\$ 3,930,407</u>	<u>\$ 3,685,860</u>	<u>\$ 3,732,188</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>36.78%</u>	<u>48.67%</u>	<u>(22.13%)</u>	<u>0.27%</u>	<u>72.63%</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>	<u>86.39%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>6.80%</u>

**Schedule of Contributions**

	2024	2023	2022	2021	2020
Contractually required contribution	<u>\$ 553,542</u>	<u>\$ 440,979</u>	<u>\$ 567,666</u>	<u>\$ 502,632</u>	<u>483,800</u>
Contributions in relation to the contractually required contribution	<u>(553,542)</u>	<u>(440,979)</u>	<u>(567,666)</u>	<u>(502,632)</u>	<u>(483,800)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 4,597,410</u>	<u>\$ 4,827,652</u>	<u>\$ 3,994,093</u>	<u>\$ 3,743,386</u>	<u>\$ 3,776,720</u>
Contributions as a percentage of covered payroll	<u>12.04%</u>	<u>9.13%</u>	<u>14.21%</u>	<u>13.43%</u>	<u>12.81%</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.

2019	2018	2017	2016	2015
0.0104456%	0.0113619%	0.0108352%	0.0107325%	0.0115245%
\$ 740,105	\$ 366,698	\$ 1,018,104	\$ 1,722,595	\$ 389,326
\$ 3,540,471	\$ 3,520,857	\$ 3,610,534	\$ 3,589,864	\$ 3,494,258
20.90%	10.42%	28.20%	47.98%	11.14%
96.27%	98.24%	94.70%	90.70%	97.90%
7.00%	7.00%	7.00%	7.00%	7.50%
2019	2018	2017	2016	2015
\$ 485,598	\$ 515,077	\$ 521,470	\$ 575,684	\$ 581,395
(485,598)	(515,077)	(521,470)	(575,684)	(581,395)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,550,692	\$ 3,492,465	\$ 3,633,575	\$ 3,555,324	\$ 3,573,486
13.68%	14.75%	14.35%	16.19%	16.27%

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**Blind Brook - Rye Union Free School District, New York**

General Fund  
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
<b>REVENUES</b>					
Real property taxes	\$ 48,991,438	\$ 48,991,438	\$ 48,991,438	\$	\$ -
Other tax items	806,985	806,985	806,985		-
Non-property taxes	550,000	550,000	729,513		179,513
Charges for services	535,210	535,210	578,415		43,205
Use of money and property	180,000	180,000	890,357		710,357
State aid	4,416,001	4,416,001	4,933,415		517,414
Miscellaneous	86,159	274,513	445,800		171,287
Total Revenues	55,565,793	55,754,147	57,375,923		1,621,776
<b>EXPENDITURES</b>					
Current					
General support					
Board of education	71,399	64,399	50,333	1,584	12,482
Central administration	389,016	397,516	391,813	-	5,703
Finance	814,412	785,292	712,520	40,961	31,811
Staff	446,126	595,700	451,544	-	144,156
Central services	3,512,495	3,578,755	2,969,407	508,388	100,960
Special items	744,180	770,823	663,096	-	107,727
Total General Support	5,977,628	6,192,485	5,238,713	550,933	402,839
Instruction					
Instruction, administration and improvement	2,075,985	2,098,144	1,971,189	5,130	121,825
Teaching - Regular school	15,726,701	15,828,577	15,467,810	17,281	343,486
Programs for students with disabilities	8,192,955	7,988,273	7,620,386	231,030	136,857
Instructional media	2,642,715	2,721,508	2,652,455	14,844	54,209
Pupil services	3,180,774	3,358,863	3,194,749	4,406	159,708
Total Instruction	31,819,130	31,995,365	30,906,589	272,691	816,085
Pupil transportation	1,869,117	1,902,509	1,627,986	776	273,747
Employee benefits	12,554,037	12,328,940	11,802,460	-	526,480
Debt service					
Principal	4,241,896	4,257,838	4,247,400	-	10,438
Interest	1,425,252	1,410,716	1,410,616	-	100
Total Expenditures	57,887,060	58,087,853	55,233,764	824,400	2,029,689
Excess (Deficiency) of Revenues Over Expenditures	(2,321,267)	(2,333,706)	2,142,159	(824,400)	3,651,465
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	513,058	513,058	513,058	-	-
Transfers out	(39,000)	(571,073)	(559,450)	-	11,623
Total Other Financing Sources (Uses)	474,058	(58,015)	(46,392)	-	11,623
Net Change in Fund Balance	(1,847,209)	(2,391,721)	2,095,767	\$ (824,400)	\$ 3,663,088
<b>FUND BALANCE</b>					
Beginning of Year	1,847,209	2,391,721	7,703,703		
End of Year	\$ -	\$ -	\$ 9,799,470		

See independent auditors' report.

**Blind Brook - Rye Union Free School District, New York**

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REAL PROPERTY TAXES</b>	<u>\$ 48,991,438</u>	<u>\$ 48,991,438</u>	<u>\$ 48,991,438</u>	<u>\$ -</u>
<b>OTHER TAX ITEMS</b>				
School tax relief reimbursement	<u>806,985</u>	<u>806,985</u>	<u>806,985</u>	<u>-</u>
<b>NON-PROPERTY TAXES</b>				
Non-property tax distribution from County	<u>550,000</u>	<u>550,000</u>	<u>729,513</u>	<u>179,513</u>
<b>CHARGES FOR SERVICES</b>				
Day school tuition	270,210	270,210	242,581	(27,629)
Other services for other districts and other governments	265,000	265,000	279,880	14,880
Transportation for other districts	<u>-</u>	<u>-</u>	<u>55,954</u>	<u>55,954</u>
	<u>535,210</u>	<u>535,210</u>	<u>578,415</u>	<u>43,205</u>
<b>USE OF MONEY AND PROPERTY</b>				
Earnings on investments	180,000	180,000	832,854	652,854
Rental of real property	<u>-</u>	<u>-</u>	<u>57,503</u>	<u>57,503</u>
	<u>180,000</u>	<u>180,000</u>	<u>890,357</u>	<u>710,357</u>

**STATE AID**

Basic formula	3,654,217	3,654,217	3,272,288	(381,929)
Lottery	-	-	441,086	441,086
BOCES	647,716	647,716	1,110,775	463,059
Textbooks	79,462	79,462	78,230	(1,232)
Computer software	20,433	20,433	25,017	4,584
Library materials	8,525	8,525	6,019	(2,506)
Other aid	5,648	5,648	-	(5,648)

	<u>4,416,001</u>	<u>4,416,001</u>	<u>4,933,415</u>	<u>517,414</u>
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**MISCELLANEOUS**

Refund of prior year's expenditures	49,159	49,159	203,266	154,107
Other	37,000	225,354	242,534	17,180

	<u>86,159</u>	<u>274,513</u>	<u>445,800</u>	<u>171,287</u>
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**TOTAL REVENUES**

	55,565,793	55,754,147	57,375,923	1,621,776
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**OTHER FINANCING SOURCES**

Transfers in				
Debt Service Fund	513,058	513,058	513,058	-

**TOTAL REVENUES AND OTHER FINANCING SOURCES**

	<u>\$ 56,078,851</u>	<u>\$ 56,267,205</u>	<u>\$ 57,888,981</u>	<u>\$ 1,621,776</u>
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See independent auditors' report.

**Blind Brook - Rye Union Free School District, New York**

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
<b>GENERAL SUPPORT</b>					
<b>BOARD OF EDUCATION</b>					
Board of education	\$ 28,839	\$ 21,839	\$ 12,519	\$ 1,584	\$ 7,736
District clerk	15,210	15,210	12,907	-	2,303
District meeting	27,350	27,350	24,907	-	2,443
Total Board of Education	71,399	64,399	50,333	1,584	12,482
<b>CENTRAL ADMINISTRATION</b>					
Chief school administrator	389,016	397,516	391,813	-	5,703
<b>FINANCE</b>					
Business administration	586,267	562,432	531,860	7,711	22,861
Auditing	89,500	77,500	36,500	33,250	7,750
Treasurer	133,000	136,000	135,800	-	200
Purchasing	5,645	9,360	8,360	-	1,000
Total Finance	814,412	785,292	712,520	40,961	31,811
<b>STAFF</b>					
Legal	248,760	462,018	325,703	-	136,315
Personnel	83,874	17,255	11,614	-	5,641
Public information and services	113,492	116,427	114,227	-	2,200
Total Staff	446,126	595,700	451,544	-	144,156
<b>CENTRAL SERVICES</b>					
Operation and maintenance of plant	3,352,636	3,448,696	2,850,242	503,498	94,956
Central printing and mailing	159,859	130,059	119,165	4,890	6,004
Total Central Services	3,512,495	3,578,755	2,969,407	508,388	100,960

**SPECIAL ITEMS**

Unallocated insurance	286,081	317,724	315,365	-	2,359
Assessments on school property	33,000	28,000	24,628	-	3,372
Refund of real property taxes	100,000	100,000	-	-	100,000
Administrative charge - BOCES	246,761	246,761	246,761	-	-
Other	78,338	78,338	76,342	-	1,996
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Special Items	744,180	770,823	663,096	-	107,727
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Support	5,977,628	6,192,485	5,238,713	550,933	402,839
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**INSTRUCTION****INSTRUCTION, ADMINISTRATION  
AND IMPROVEMENT**

Curriculum development and supervision	329,553	325,983	317,830	-	8,153
Supervision - Regular school	1,547,952	1,590,035	1,563,370	-	26,665
In-service training - Instruction	198,480	182,126	89,989	5,130	87,007
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Instruction, Administration and Improvement	2,075,985	2,098,144	1,971,189	5,130	121,825
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**TEACHING - REGULAR SCHOOL**

	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	15,726,701	15,828,577	15,467,810	17,281	343,486
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**PROGRAMS FOR STUDENTS  
WITH DISABILITIES**

	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,192,955	7,988,273	7,620,386	231,030	136,857
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**INSTRUCTIONAL MEDIA**

School library and audiovisual	359,309	359,309	344,128	-	15,181
Computer assisted instruction	2,283,406	2,362,199	2,308,327	14,844	39,028
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Instructional Media	2,642,715	2,721,508	2,652,455	14,844	54,209
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

**Blind Brook - Rye Union Free School District, New York**

General Fund

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

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
<b>INSTRUCTION (Continued)</b>					
<b><i>PUPIL SERVICES</i></b>					
Guidance - Regular school	\$ 1,009,554	\$ 1,027,054	\$ 1,020,360	\$ 107	\$ 6,587
Health and diagnostic services - Regular school	381,750	486,572	453,765	1,234	31,573
Psychological services - Regular school	306,200	306,200	295,584	-	10,616
Social work services - Regular school	217,532	222,532	222,225	-	307
Co-curricular activities - Regular school	367,713	383,574	331,645	3,065	48,864
Interscholastic athletics - Regular school	898,025	932,931	871,170	-	61,761
Total Pupil Services	3,180,774	3,358,863	3,194,749	4,406	159,708
Total Instruction	31,819,130	31,995,365	30,906,589	272,691	816,085
<b>PUPIL TRANSPORTATION</b>					
District transportation services	754,283	773,007	697,968	776	74,263
Contract transportation and garage building	1,114,834	1,129,502	930,018	-	199,484
Total Pupil Transportation	1,869,117	1,902,509	1,627,986	776	273,747
<b>EMPLOYEE BENEFITS</b>					
State retirement	543,057	617,542	598,741	-	18,801
Teachers' retirement	2,289,774	2,279,289	2,223,308	-	55,981
Social security	2,173,064	2,173,064	2,094,307	-	78,757
Hospital, medical and dental insurance	7,056,498	6,781,351	6,441,557	-	339,794
Life insurance	-	1,000	500	-	500
Workers' compensation	164,044	164,044	161,240	-	2,804
Unemployment benefits	30,000	30,000	14,807	-	15,193
Union welfare benefits	297,600	282,650	268,000	-	14,650
Total Employee Benefits	12,554,037	12,328,940	11,802,460	-	526,480

**DEBT SERVICE**

## Principal

Serial bonds	3,425,000	3,425,000	3,425,000	-	-
Energy performance contract	208,364	208,364	208,364	-	-
Leases	570,208	570,208	570,208	-	-
Financed purchase debt	38,324	54,266	43,828	-	10,438

	<u>4,241,896</u>	<u>4,257,838</u>	<u>4,247,400</u>	<u>-</u>	<u>10,438</u>
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## Interest

Serial bonds	1,334,225	1,334,225	1,334,225	-	-
Energy performance contract	36,917	36,917	36,917	-	-
Leases	38,599	38,599	38,598	-	1
Financed purchase debt	15,511	975	876	-	99

	<u>1,425,252</u>	<u>1,410,716</u>	<u>1,410,616</u>	<u>-</u>	<u>100</u>
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Total Debt Service	<u>5,667,148</u>	<u>5,668,554</u>	<u>5,658,016</u>	<u>-</u>	<u>10,538</u>
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TOTAL EXPENDITURES	<u>57,887,060</u>	<u>58,087,853</u>	<u>55,233,764</u>	<u>824,400</u>	<u>2,029,689</u>
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**OTHER FINANCING USES**

## Transfers out

Special Aid Fund	39,000	39,000	27,377	-	11,623
Capital Projects Fund	-	532,073	532,073	-	-

TOTAL OTHER FINANCING USES	<u>39,000</u>	<u>571,073</u>	<u>559,450</u>	<u>-</u>	<u>11,623</u>
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**TOTAL EXPENDITURES AND  
OTHER FINANCING USES**

	<u>\$ 57,926,060</u>	<u>\$ 58,658,926</u>	<u>\$ 55,793,214</u>	<u>\$ 824,400</u>	<u>\$ 2,041,312</u>
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See independent auditors' report.

**Blind Brook - Rye Union Free School District, New York**

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2024

PROJECT	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
<b>2017 and 2021 Bond Propositions</b>				
RSS Enrichment Center	\$ 337,241	\$ 337,241	\$ -	\$ 337,241
District-Wide Improvements	44,362,759	44,252,943	107,316	44,360,259
District-wide Improvements Supplemental	6,000,000	5,194,792	700,464	5,895,256
Total 2017 and 2021 Bond Propositions	50,700,000	49,784,976	807,780	50,592,756
MS/HS Turf Field Replacement	1,200,000	-	440,900	440,900
Computer Equipment Leases	340,023	-	340,023	340,023
Bus Leases	286,849	-	286,849	286,849
	\$ 52,526,872	\$ 49,784,976	\$ 1,875,552	\$ 51,660,528

See independent auditors' report.



Unexpended Balance	Methods of Financing			Fund Balance at June 30, 2024
	Proceeds of Obligations	Transfers In	Total	
\$ -	\$ 337,241	\$ -	\$ 337,241	\$ -
2,500	44,362,759	-	44,362,759	2,500
104,744	6,000,000	-	6,000,000	104,744
107,244	50,700,000	-	50,700,000	107,244
759,100	-	532,073	532,073	91,173
-	340,023	-	340,023	-
-	286,849	-	286,849	-
<u>\$ 866,344</u>	<u>\$ 51,326,872</u>	<u>\$ 532,073</u>	<u>\$ 51,858,945</u>	<u>\$ 198,417</u>

**Blind Brook - Rye Union Free School District, New York**

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

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	School Lunch	Special Purpose	Debt Service
<b>ASSETS</b>			
Cash and equivalents	\$ 30,359	\$ 285,951	\$ -
Investments	102,028	39,909	139,476
Due from other funds	-	-	94,698
Inventories	1,606	-	-
	<u>133,993</u>	<u>325,860</u>	<u>234,174</u>
Total Assets	<u>\$ 133,993</u>	<u>\$ 325,860</u>	<u>\$ 234,174</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 38,127	\$ 9,300	\$ -
Unearned revenues	7,735	-	-
Due to other funds	23,075	-	-
	<u>68,937</u>	<u>9,300</u>	<u>-</u>
Total Liabilities	<u>68,937</u>	<u>9,300</u>	<u>-</u>
Fund balances			
Nonspendable	1,606	-	-
Restricted	-	316,560	234,174
Assigned	63,450	-	-
	<u>65,056</u>	<u>316,560</u>	<u>234,174</u>
Total Fund Balances	<u>65,056</u>	<u>316,560</u>	<u>234,174</u>
Total Liabilities and Fund Balances	<u>\$ 133,993</u>	<u>\$ 325,860</u>	<u>\$ 234,174</u>

See independent auditors' report.

Permanent	Total Non-Major Governmental Funds
\$ 1,651	\$ 317,961
1,094	282,507
-	94,698
-	1,606
<u>\$ 2,745</u>	<u>\$ 696,772</u>
\$ -	\$ 47,427
-	7,735
-	23,075
<u>-</u>	<u>78,237</u>
1,000	2,606
1,745	552,479
-	63,450
<u>2,745</u>	<u>618,535</u>
<u>\$ 2,745</u>	<u>\$ 696,772</u>

**Blind Brook - Rye Union Free School District, New York**

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

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	School Lunch	Special Purpose	Debt Service
<b>REVENUES</b>			
Use of money and property	\$ 8,741	\$ 2,034	\$ 94,647
Food sales	616,003	-	-
Miscellaneous	2	405,851	-
Total Revenues	624,746	407,885	94,647
<b>EXPENDITURES</b>			
Current			
Instruction	-	108,780	-
Cost of food sales	632,763	-	-
Other	-	268,499	-
Total Expenditures	632,763	377,279	-
Excess (Deficiency) of Revenues Over Expenditures	(8,017)	30,606	94,647
<b>OTHER FINANCING USES</b>			
Transfers out	-	-	(513,058)
Net Change in Fund Balances	(8,017)	30,606	(418,411)
<b>FUND BALANCES</b>			
Beginning of Year	73,073	285,954	652,585
End of Year	\$ 65,056	\$ 316,560	\$ 234,174

See independent auditors' report.

<u>Permanent</u>	<u>Total Non-Major Governmental Funds</u>
\$ 55	\$ 105,477
-	616,003
-	405,853
<u>55</u>	<u>1,127,333</u>
-	108,780
-	632,763
-	268,499
<u>-</u>	<u>1,010,042</u>
55	117,291
<u>-</u>	<u>(513,058)</u>
55	(395,767)
<u>2,690</u>	<u>1,014,302</u>
<u>\$ 2,745</u>	<u>\$ 618,535</u>

**Blind Brook - Rye Union Free School District, New York**

## General Fund

## Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2024

Adopted Budget	\$ 57,078,851
Additions - Encumbrances	<u>847,209</u>
Original Budget	57,926,060
Budget Amendments	<u>732,866</u>
Final Budget	<u><u>\$ 58,658,926</u></u>

## General Fund

## Section 1318 of Real Property Tax Law Limit Calculation

Year Ended June 30, 2024

2024-2025 Expenditure Budget	\$ 59,976,049
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 2,033,284
Unassigned fund balance	<u>2,399,043</u>
Total Unrestricted Fund Balance	<u>4,432,327</u>
Less	
Appropriated for subsequent year's budget	1,208,884
Encumbrances	<u>824,400</u>
Total Adjustments	<u>2,033,284</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,399,043</u></u>
Actual Percentage	<u><u>4.00%</u></u>

See independent auditors' report.

**Blind Brook - Rye Union Free School District, New York**

## Schedule of Net Investment in Capital Assets

Year Ended June 30, 2024

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Capital Assets, net		\$ 81,513,903
Plus		
Unamortized portion of loss on refunding bonds	\$ 8,463	
Unexpended bond proceeds	<u>1,473,231</u>	1,481,694
Less		
Accounts payable	(1,365,987)	
General obligation bonds payable - capital construction	(44,695,000)	
Unamortized portion of premium on bonds	(660,131)	
Energy performance contract payable	(1,474,891)	
Financed purchase debt	(44,262)	
Leases payable	<u>(1,431,496)</u>	<u>(49,671,767)</u>
Net Investment in Capital Assets		<u><u>\$ 33,323,830</u></u>

See independent auditors' report.