Port Chester - Rye Union Free School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2024

Port Chester - Rye Union Free School District, New York

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PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

The Board of Education of the
Port Chester - 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 Port Chester - 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. 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.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 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 7, 2024

Introduction

Our discussion and analysis of the Port Chester - 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. To enhance your understanding of the School District's financial performance, it should be read in conjunction with the basic financial statements that immediately follow this section.

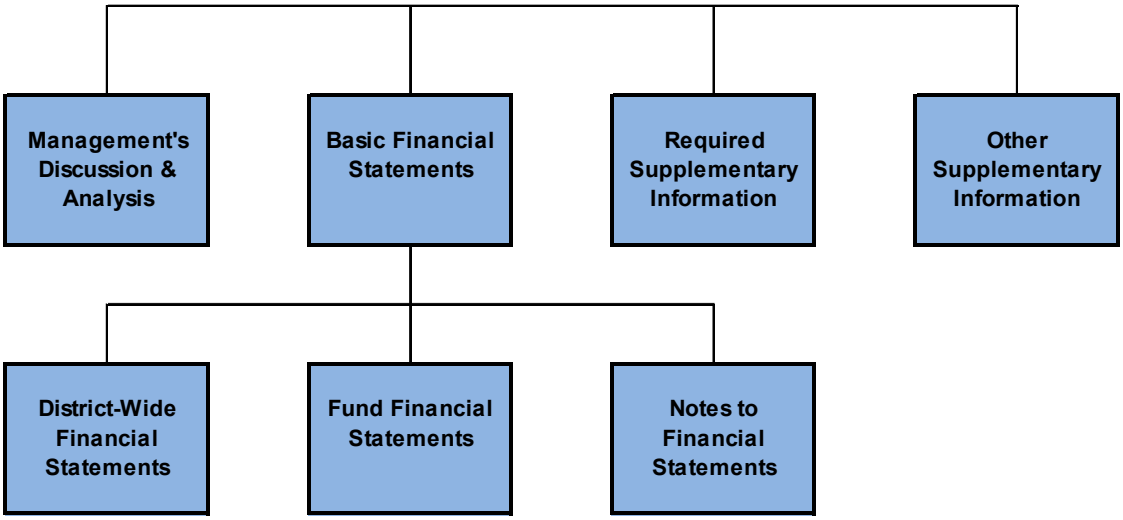
Financial Highlights

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

- At the close of the current fiscal year, the School District's General Fund shows an ending total fund balance of $20,232,481, an increase of $4,043,990 from the prior year.
- New York State Law limits the amount of the unassigned portion of the total fund balance that can be retained by the General Fund to 4% of the ensuing year's budget. At the end of the current fiscal year, this amount for the General Fund was $5,901,522, or 4%.
- During the current fiscal year, the School District retired $3,750,000 of serial bonds issued in previous years for various capital projects. No new long-term bonded debt was issued.
- Several large parcels of property had their Payments in Lieu of Taxes ("PILOT's") agreements expire early in the 2022-2023 school fiscal year. As a result, these parcels were not on the tax roll utilized for the that year's School District property tax levy. The Receiver of Taxes for the Town of Rye ("Town") subsequently issued additional property tax bills totaling $1,093,959 for these parcels to cover the period from the expiration dates of the PILOT agreements through the School District's fiscal year end of June 30, 2023. The Town collected the property taxes and in turn paid the amounts to the School District late in the 2022-23 fiscal year. The School District was unaware that it was receiving such payment, as it had already been made whole by the Town for its 2022-23 tax levy. As this amount was received too late to affect the 2023-2024 School District tax levy, the School District has set these funds aside as a liability at both June 30, 2023 and 2024 and has applied this unexpected additional amount received against the 2024-2025 School District tax levy.
- 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 $48,310,835. This represented a decrease of $8,470,595 for the year ended June 30, 2024.
- The School District is committed to providing 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 $116,429,477 for other postemployment benefits recorded in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"). Additionally, the School District also reported $4,224,986 for its proportionate share of the net pension liability of the New York State and Local Employees' Retirement System ("ERS") and $3,381,153 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.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements, which are comprised of four components: (1) management's discussion and analysis (MD&A), (2) basic financial statements, (3) required supplementary information and (4) other supplementary information.



District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

    - The *statement of net position* presents information on all of the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

    - The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. 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, community services, cost of food sales, other, interest and general administrative support.

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

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

- The School District maintains seven individual governmental funds; General Fund, Special Aid Fund, Capital Projects Fund, School Lunch Fund, Special Purpose Fund, Permanent Fund and Debt Service Fund. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Special Aid and the Capital Projects funds, which are considered to be major funds. Data for the other 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 for the General Fund 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.

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 Port Chester - Rye Union Free School District, New York at the close of the current fiscal year, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $48,310,835.

	June 30,	
	2024	2023
Current Assets	$ 50,533,034	$ 37,154,575
Capital Assets, net	113,731,464	112,740,623
Total Assets	164,264,498	149,895,198
Deferred Outflows of Resources	50,553,514	63,841,922
Current Liabilities	14,204,277	12,906,626
Long-term Liabilities	206,447,145	211,713,483
Total Liabilities	220,651,422	224,620,109
Deferred Inflows of Resources	42,477,425	45,898,441
Net Position		
Net Investment in Capital Assets	37,756,391	33,389,769
Restricted		
Capital Projects	9,758,599	1,876,532
Debt Service	2,972,071	2,979,777
Tax Certiorari	7,392,221	5,598,833
ERS and TRS Retirement Contributions	3,088,535	2,498,899
Special Purposes	153,740	147,552
Permanent fund	135,589	135,589
Unrestricted	(109,567,981)	(103,408,381)
Total Net Position	$ (48,310,835)	$ (56,781,430)

Total assets increased by $14,369,300 due to an increase in cash and equivalents and investments and state and federal aid receivables.

Long-term liabilities, which consist of general obligation bonds, compensated absences and net pension and OPEB liabilities, decreased by $5,266,338 from the previous year. The OPEB liability increased by $3,190,720 primarily due to an increase in headcount. The ERS and TRS net pension liabilities decreased by $4,231,532. The School District also retired $3,750,000 in previously issued bonded indebtedness.

A large component of the School District's net position ($37,756,391) reflects its investment in capital assets, less any related debt that is still outstanding that was used to acquire those assets. The School District uses these capital assets to provide services to students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions listed above constitute $23,500,755 of net position and are comprised of amounts restricted for specific purposes, i.e., payments of tax certiorari claims, debt service, retirement contributions, etc. There is a negative balance of unrestricted net position of $109,567,981 primarily a result of the recognition of the OPEB liabilities. Overall, net position increased by $8,470,595.

Changes in Net Position

	Year Ended June 30, 2024	Year Ended June 30, 2023
REVENUES		
Program Revenues		
Charges for Services	$ 560,257	$ 561,386
Operating Grants and Contributions	16,763,055	17,030,498
Capital Grants and Contributions	391,270	89,739
Total Program Revenues	17,714,582	17,681,623
General Revenues		
Real Property Taxes	67,771,681	65,346,694
Other Tax Items	4,515,962	4,773,627
Non-Property Taxes	3,704,721	3,562,493
Unrestricted Use of Money and Property	563,291	375,913
Unrestricted State Aid	64,776,369	51,945,194
Miscellaneous	934,520	584,347
Total General Revenues	142,266,544	126,588,268
Total Revenues	159,981,126	144,269,891
PROGRAM EXPENSES		
General Support	16,124,023	17,145,346
Instruction	125,671,816	118,184,848
Pupil Transportation	5,362,318	4,504,612
Community Services	52,863	28,490
Cost of Food Sales	2,145,222	1,954,455
Other	190,326	196,734
Interest	1,963,963	2,135,071
Total Expenses	151,510,531	144,149,556
Change in Net Position	8,470,595	120,335
NET POSITION		
Beginning	(56,781,430)	(56,901,765)
Ending	$ (48,310,835)	$ (56,781,430)

The following are the major changes in Net Position:

Revenues:

- Real property taxes increased by $2,424,987, or 3.71%. The current property tax increase is attributed to increased expenses related to instruction and employee benefits. The School District relies upon real property taxes as its primary source of revenue.

- Other tax items include revenues received for the School Tax Relief Reimbursement Program ("STAR") and payments in lieu of taxes ("PILOT's"). The STAR Program provides tax relief to homeowners by decreasing the assessments taxable to the homeowner or by providing a refund of a portion of school taxes paid. As a result in changes to the law, this revenue decreased by $402,020 during the 2023-2024 fiscal year. PILOT payments increased in the current year by $144,355.

- The unrestricted state aid revenue increased by $12,831,175, or 24.70%, due to New York State fully phasing in its foundation aid formula after years of delay.

- Unrestricted use of money and property increased by $187,378, or 49.85%, due to higher interest rates.

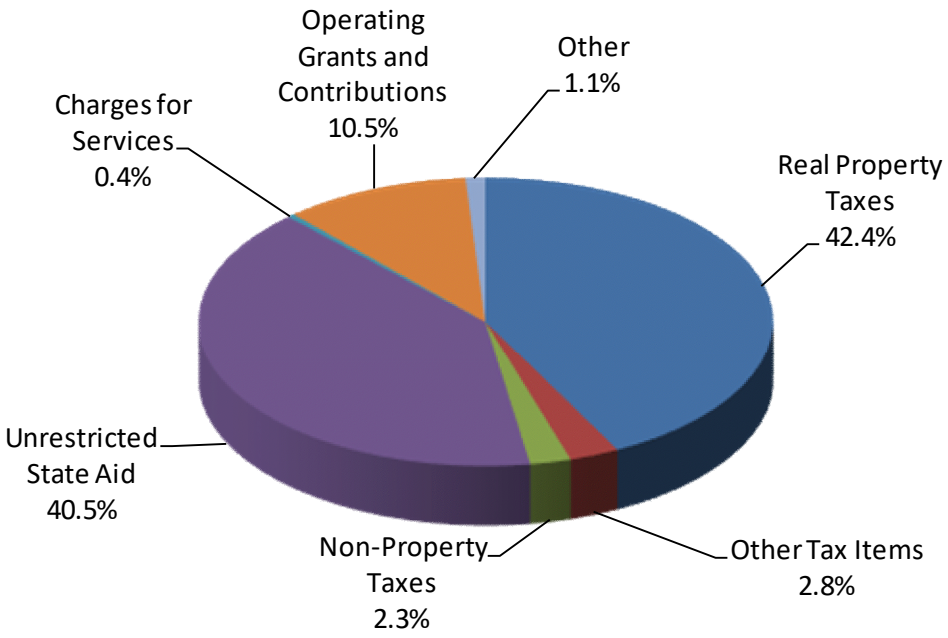
Expenses:

- Instructional program expenses increased by $7,486,968, or 6.33%, from the prior year primarily as a result of contractual salary increases and additional staff FTE's, as well as related increases in pension and OPEB liabilities.

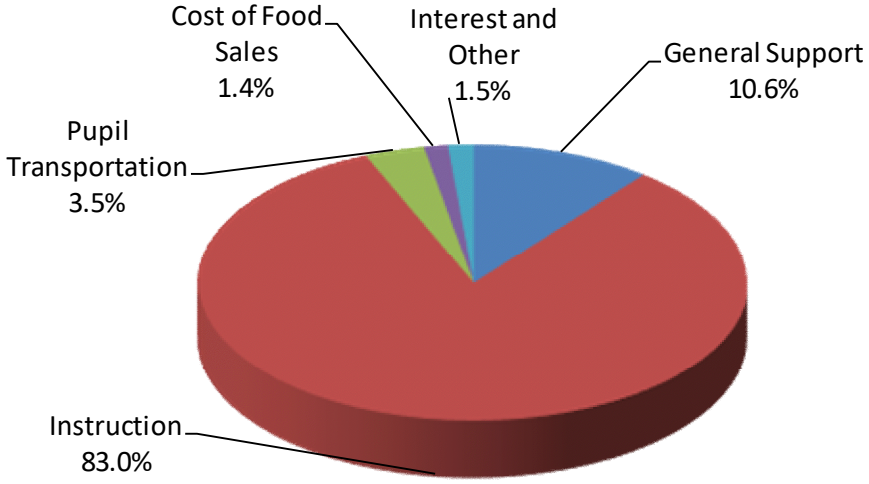
- General support expenses decreased by $1,021,323, or 5.96%, from the prior year primarily as a result of decreased buildings operations costs compared to the previous year.

The following graphs depict where the School District revenues were derived and how monies were spent. Real property taxes (42.4%) and Unrestricted State Aid (40.5%) represent 82.9% of the School District's revenue, while the School District's largest expense, instructional costs, accounts for 83.0% of total expenses.

Sources of Revenue for Fiscal Year 2024
Governmental Activities



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, *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 funds reported combined fund balances of $36,511,479, an increase of $12,067,099 from the amount of $24,444,380 reported in the prior year.

	June 30,	
	2024	2023
Nonspendable:		
Inventories	$ 923	$ 39,691
Permanent Fund	135,589	135,589
Total Nonspendable	136,512	175,280
Restricted:		
Tax Certiorari	7,392,221	5,598,833
Employee Benefit Accrued Liability	927,106	881,112
ERS Retirement Contributions	1,806,808	1,717,172
TRS Retirement Contributions	1,281,727	781,727
Debt Service	2,822,071	2,829,777
Debt Service - for subsequent year's expenditures	150,000	150,000
Capital Projects	9,796,396	2,436,613
Special Purposes	153,740	147,552
Total Restricted	24,330,069	14,542,786
Assigned:		
Purchases On Order:		
General Government Support	308,145	45,195
Instruction	352,694	448,617
Transportation	108,992	-
	769,831	493,812
For Subsequent Year's Expenditures -		
General Fund	2,153,266	1,000,000
School Lunch Fund	3,220,971	2,519,606
Total Assigned	6,144,068	4,013,418
Unassigned		
General Fund	5,901,522	5,715,835
Permanent Fund	(692)	(2,939)
Total Unassigned	5,900,830	5,712,896
Total Fund Balances	$ 36,511,479	$ 24,444,380

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was $20,232,481. This represents an increase of $4,043,990 from the prior year. The amount of the unassigned fund balance is $5,901,522, or 4%, of the ensuing year's budget.

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

General Fund Budgetary Highlights – 2023-2024

The original, voter approved adopted budget of $142,895,880 was increased by $493,812 as a result of the rollover of prior year encumbrances for a total original budget of $143,389,692. No additional budget amendments occurred during the fiscal year.

Revenue Highlights include:

- Revenue was greater than budget by $2,752,066.
- Real property taxes were slightly less than anticipated by $178,368 due to the payment of current year tax certiorari claims.
- $504,721 of the excess from county sales tax was as a result of coming off of high economic activity during the year.
- $836,912 of the excess from use of money and property was due to higher interest rates and investable cash balances.
- $779,980 of the excess from state aid, primarily from unexpected SMART Schools Bond Act funds.

Expenditure Highlights include:

- Expenditures and encumbrances were $2,015,905 below the final budget.
- General Support was $728,511 below budget primarily due to savings in operation/maintenances of plant, Instruction was $1,234,699 below budget.

Fund Balance Highlights include:

- The June 30, 2024, fund balance in the General Fund was $20,232,481 increasing by $4,043,990 from the prior year.
- The School District increased its tax certiorari restriction by $1,793,388, to $7,392,221.
- Unassigned fund balance increased by $185,687 and the amount is at the 4% maximum allowed by New York State.

Capital Assets

As of June 30, 2024, the School District had $113,731,464, net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, as well as machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30, 2024	2023
Land	$ 911,250	$ 911,250
Construction-in-Progress	88,995,128	87,401,007
Buildings and Improvements	22,989,377	23,681,627
Site Improvements	5,335	6,478
Vehicles	269,785	323,948
Furniture and Equipment	560,589	416,313
Total Capital Assets, net of Accumulated depreciation	$ 113,731,464	$ 112,740,623

The change in capital assets during the current fiscal year results from the ongoing activity authorized under the 2017 Bond Referendum.

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, net	$ 78,838,578	$ 82,997,747
Compensated Absences	3,572,951	3,639,308
Net Pension Liability - ERS	4,224,986	6,203,127
Net Pension Liability - TRS	3,381,153	5,634,544
Other Post Employment Benefit Liability	116,429,477	113,238,757
Total	$ 206,447,145	$ 211,713,483

During the 2023-2024 fiscal year, the School District reflected its ERS and TRS as a net pension liability 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 will generally continue to grow over time as at this juncture 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.

For the Future

The Port Chester - Rye Union Free School District is financially stable and strong. However, the School District is dependent upon real property taxes as they represent approximately 42.4% of School District revenues (exclusive of STAR) while State aid currently represents 40.5% of the School District budget. Any future cuts to State Aid can have an adverse effect on the School District's finances.

Effective in the 2012-2013 school year, legislation was passed by New York State capping tax levy increases to 2%. Under these circumstances, the challenge of presenting a fiscally responsible budget, while meeting the needs of children and mandates, will require effective and efficient management of School District operations in future years.

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:

Port Chester - Rye Union Free School District
Attn: Philip Silano
Assistant Superintendent for Business
113 Bowman Ave
Port Chester - Rye, New York 10573

Port Chester - Rye Union Free School District, New York

Statement of Net Position
June 30, 2024

	Governmental Activities
ASSETS	
Cash and equivalents	$ 12,471,021
Investments	22,359,666
Receivables	
Accounts	407,788
State and Federal aid	12,692,952
Due from other governments	2,600,684
Inventories	923
Capital assets	
Not being depreciated	89,906,378
Being depreciated, net	23,825,086
Total Assets	164,264,498
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	14,624
Pension related	26,742,874
OPEB related	23,796,016
Total Deferred Outflows of Resources	50,553,514
LIABILITIES	
Accounts payable	3,252,036
Accrued liabilities	235,629
Deposits	9,029
Employee payroll deductions	6,508
Unearned revenues	2,031,143
Due to other governments	1,093,959
Due to retirement systems	7,393,251
Accrued interest payable	182,722
Non-current liabilities	
Due within one year	6,858,947
Due in more than one year	199,588,198
Total Liabilities	220,651,422
DEFERRED INFLOWS OF RESOURCES	
Pension related	4,944,056
OPEB related	37,533,369
Total Deferred Inflows of Resources	42,477,425
NET POSITION	
Net investment in capital assets	37,756,391
Restricted	
Capital projects	9,758,599
Debt service	2,972,071
Tax certiorari	7,392,221
ERS retirement contributions	1,806,808
TRS retirement contributions	1,281,727
Special purposes	
Extraclassroom activities	71,552
Other	82,188
Permanent fund	135,589
Unrestricted	(109,567,981)
Total Net Position	$ (48,310,835)

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

Port Chester - Rye Union Free School District, New York

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
General support	$ 16,124,023	$ 374,925	$ 468,696	$ 248,979	$ (15,031,423)
Instruction	125,671,816	29,934	13,065,286	-	(112,576,596)
Pupil transportation	5,362,318	70,295	332,596	-	(4,959,427)
Community services	52,863	-	-	-	(52,863)
Cost of food sales	2,145,222	85,103	2,697,716	-	637,597
Other	190,326	-	198,761	-	8,435
Interest	1,963,963	-	-	142,291	(1,821,672)
Total Governmental Activities	$ 151,510,531	$ 560,257	$ 16,763,055	$ 391,270	(133,795,949)
General revenues					
Real property taxes					67,771,681
Other tax items					
School tax relief reimbursement					3,852,069
Payments in lieu of taxes					663,893
Non-property taxes					
Non-property tax distribution from County					3,704,721
Unrestricted use of money and property					563,291
Unrestricted State aid					64,776,369
Miscellaneous					934,520
Total General Revenues					142,266,544
Change in Net Position					8,470,595
Net Position - Beginning					(56,781,430)
Net Position - Ending					$ (48,310,835)

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

Port Chester - Rye Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2024

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	$ 9,103,609	$ 1,556,820	$ 483,004
Investments	11,028,029	-	8,680,916
Receivables			
Accounts	407,788	-	-
State and Federal aid	1,732,157	10,775,996	-
Due from other governments	2,600,684	-	-
Due from other funds	7,051,138	1,464,818	1,587,538
Inventories	-	-	-
Total Assets	$ 31,923,405	$ 13,797,634	$ 10,751,458
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 2,238,730	$ 883,142	$ -
Accrued liabilities	174,147	52,307	-
Deposits	9,029	-	-
Employee payroll deductions	6,508	-	-
Unearned revenues	353,455	1,668,930	-
Due to other governments	1,093,959	-	-
Due to other funds	421,845	11,193,255	955,062
Due to retirement systems	7,393,251	-	-
Total Liabilities	11,690,924	13,797,634	955,062
Fund balances (deficits)			
Nonspendable	-	-	-
Restricted	11,407,862	-	9,796,396
Assigned	2,923,097	-	-
Unassigned	5,901,522	-	-
Total Fund Balances	20,232,481	-	9,796,396
Total Liabilities and Fund Balances	$ 31,923,405	$ 13,797,634	$ 10,751,458

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

Non-Major Governmental	Total Governmental Funds
$ 1,327,588	$ 12,471,021
2,650,721	22,359,666
-	407,788
184,799	12,692,952
-	2,600,684
2,712,368	12,815,862
923	923
$ 6,876,399	$ 63,348,896
$ 130,164	$ 3,252,036
9,175	235,629
-	9,029
-	6,508
8,758	2,031,143
-	1,093,959
245,700	12,815,862
-	7,393,251
393,797	26,837,417
136,512	136,512
3,125,811	24,330,069
3,220,971	6,144,068
(692)	5,900,830
6,482,602	36,511,479
$ 6,876,399	$ 63,348,896

Port Chester - 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

Total Fund Balances - Governmental Funds	$	36,511,479
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets - non-depreciable		89,906,378
Capital assets - depreciable		65,934,507
Accumulated depreciation		(42,109,421)
		113,731,464
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		26,742,874
Deferred outflows - OPEB related		23,796,016
Deferred inflows - pension related		(4,944,056)
Deferred inflows - OPEB related		(37,533,369)
		8,061,465
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable		(182,722)
General obligation bonds payable		(72,750,000)
Compensated absences		(3,572,951)
Net pension liability - ERS		(4,224,986)
Net pension liability - TRS		(3,381,153)
Total OPEB liability		(116,429,477)
		(200,541,289)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Deferred charge on refunding bonds		14,624
Premium on general obligation bonds		(6,088,578)
		(6,073,954)
Net Position of Governmental Activities	$	(48,310,835)

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

Port Chester - 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
REVENUES			
Real property taxes	$ 67,771,681	$ -	$ -
Other tax items	4,515,962	-	-
Non-property taxes	3,704,721	-	-
Charges for services	100,229	-	-
Use of money and property	1,406,912	-	-
State aid	66,078,562	3,147,640	-
Federal aid	135,359	8,781,960	248,979
Food sales	-	-	-
Miscellaneous	934,520	30,730	-
Total Revenues	144,647,946	11,960,330	248,979
EXPENDITURES			
Current			
General support	13,189,725	-	-
Instruction	79,352,357	11,817,999	-
Pupil transportation	4,984,715	332,596	-
Community services	52,863	-	-
Employee benefits	28,183,047	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	1,540,461
Total Expenditures	125,762,707	12,150,595	1,540,461
Excess (Deficiency) of Revenues Over Expenditures	18,885,239	(190,265)	(1,291,482)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	190,265	8,651,265
Transfers out	(14,841,249)	-	-
Total Other Financing Sources (Uses)	(14,841,249)	190,265	8,651,265
Net Change in Fund Balances	4,043,990	-	7,359,783
FUND BALANCES			
Beginning of Year	16,188,491	-	2,436,613
End of Year	$ 20,232,481	$ -	$ 9,796,396

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

Non-Major Governmental	Total Governmental Funds
$ -	$ 67,771,681
-	4,515,962
-	3,704,721
-	100,229
152,868	1,559,780
376,847	69,603,049
2,317,640	11,483,938
85,103	85,103
191,413	1,156,663
3,123,871	159,981,126
-	13,189,725
-	91,170,356
-	5,317,311
-	52,863
-	28,183,047
2,145,222	2,145,222
190,326	190,326
3,750,000	3,750,000
2,374,716	2,374,716
-	1,540,461
8,460,264	147,914,027
(5,336,393)	12,067,099
5,999,719	14,841,249
-	(14,841,249)
5,999,719	-
663,326	12,067,099
5,819,276	24,444,380
$ 6,482,602	$ 36,511,479

Port Chester - 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

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

Net Change in Fund Balances - Total Governmental Funds	$	12,067,099
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay expenditures		1,794,620
Depreciation expense		(803,779)
		990,841
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal paid on general obligation bonds		3,750,000
Some expenses reported in the statement of activities do not require the use of of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest		13,709
Compensated absences		66,357
Changes in pension liabilities and related deferred outflows and inflows of resources		(4,360,914)
Changes in OPEB liabilities and related deferred outflows and inflows of resources		(4,453,541)
Amortization of premium and loss on refunding bonds		397,044
		(8,337,345)
Change in Net Position of Governmental Activities	$	8,470,595

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

Port Chester - Rye Union Free School District, New York

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 67,950,049	$ 67,950,049	$ 67,771,681	$ (178,368)
Other tax items	4,267,249	4,267,249	4,515,962	248,713
Non-property taxes	3,200,000	3,200,000	3,704,721	504,721
Charges for services	58,000	58,000	100,229	42,229
Use of money and property	570,000	570,000	1,406,912	836,912
State aid	65,300,582	65,300,582	66,078,562	777,980
Federal aid	150,000	150,000	135,359	(14,641)
Miscellaneous	400,000	400,000	934,520	534,520
Total Revenues	141,895,880	141,895,880	144,647,946	2,752,066
EXPENDITURES				
Current				
General support	14,548,674	14,226,381	13,189,725	1,036,656
Instruction	79,980,237	80,939,750	79,352,357	1,587,393
Pupil transportation	4,605,134	5,113,384	4,984,715	128,669
Community services	182,324	85,881	52,863	33,018
Employee benefits	29,172,339	28,183,047	28,183,047	-
Total Expenditures	128,488,708	128,548,443	125,762,707	2,785,736
Excess of Revenues Over Expenditures	13,407,172	13,347,437	18,885,239	5,537,802
OTHER FINANCING USES				
Transfers out	(14,900,984)	(14,841,249)	(14,841,249)	-
Net Change in Fund Balance	(1,493,812)	(1,493,812)	4,043,990	5,537,802
FUND BALANCE				
Beginning of Year	1,493,812	1,493,812	16,188,491	14,694,679
End of Year	$ -	$ -	$ 20,232,481	$ 20,232,481

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

Note 1 - Summary of Significant Accounting Policies

The Port Chester - Rye Union Free School District, New York ("School District"), as presently constituted, was established in 1853 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 by Education Law. Copies of BOCES' financial statements can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The

Note 1 - Summary of Significant Accounting Policies (Continued)

major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds. The major revenues of this fund are Federal and State aid.

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

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

Special Revenue Funds:

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

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

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

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

b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. 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 liability and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

The School District's position in the pool at June 30, 2024 is $22,359,666 and is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

CLASS is rated AAAm by Standard 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. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

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

Risk Disclosure

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable 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 which is recorded at a stated value, which approximates market. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

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

Class	Life in Years
Buildings and Improvements	50
Site Improvements	20-50
Vehicles	5-10
Furniture and Equipment	5-10

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of $353,455 for fees received in advance in the General Fund, $1,668,930 for State and Federal aid received in advance in the Special Aid Fund and $8,758 for unused meal deposits 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 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 the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated leave

Note 1 - Summary of Significant Accounting Policies (Continued)

is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 entity 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 for Business for amounts assigned as encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

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

a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.

b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.

c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.

d) The voters are permitted to vote upon the General Fund budget at the annual meeting.

e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 General Fund budget is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch, Special Purpose, Permanent and Debt Service funds since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.

h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Limitation on Fund Balance

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

D. Capital Projects Fund Project Deficit

The deficit in the Hurricane IDA repairs capital project arises because of expenditures exceeding current financing on the project. This deficit will be eliminated with the subsequent receipt of Federal aid through the Federal Emergency Management Agency ("FEMA").

E. Permanent Fund Deficit

The Permanent Fund reflects an unassigned deficit of $692 at June 30, 2024. This was the result of expenditures incurred in prior years that required the use of the corpus of the fund. The School District intends to restore this amount in the ensuing year.

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:

Fund	Due From	Due To
General	$ 7,051,138	$ 421,845
Special Aid	1,464,818	11,193,255
Capital Projects	1,587,538	955,062
Non-Major Governmental	2,712,368	245,700
	$ 12,815,862	$ 12,815,862

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

B. Capital Assets

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

Class	Balance, July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets, not being depreciated:				
Land	$ 911,250	$ -	$ -	$ 911,250
Construction-in-progress	87,401,007	1,594,121	-	88,995,128
	$ 88,312,257	$ 1,594,121	$ -	$ 89,906,378

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance, July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets, being depreciated:				
Buildings and Improvements	$ 62,553,379	$ -	$ -	$ 62,553,379
Site improvements	1,287,883	-	-	1,287,883
Vehicles	592,610	-	-	592,610
Furniture and Equipment	1,300,136	200,499	-	1,500,635
Total Capital Assets, being depreciated	65,734,008	200,499	-	65,934,507
Less Accumulated Depreciation for:				
Buildings and Improvements	38,871,752	692,250	-	39,564,002
Site improvements	1,281,405	1,143	-	1,282,548
Vehicles	268,662	54,163	-	322,825
Furniture and Equipment	883,823	56,223	-	940,046
Total Accumulated Depreciation	41,305,642	803,779	-	42,109,421
Total Capital Assets, being depreciated, net	$ 24,428,366	$ (603,280)	$ -	$ 23,825,086
Capital Assets, net	$ 112,740,623	$ 990,841	$ -	$ 113,731,464

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

General Support	$ 60,200
Instruction	708,309
Transportation	35,270
Total Depreciation Expense	$ 803,779

C. Accrued Liabilities

Accrued liabilities at June 30, 2024 were as follows:

	Fund			
	General	Special Aid	Non-Major Governmental	Total
Payroll and employee benefits	$ 174,147	$ 52,307	$ 9,175	$ 235,629

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	$ 76,500,000	$ -	$ 3,750,000	$ 72,750,000	$ 3,920,000
Plus - Unamortized premium on bonds	6,497,747	-	409,169	6,088,578	-
	82,997,747	-	4,159,169	78,838,578	3,920,000
Other Non-current Liabilities:					
Compensated Absences	3,639,308	297,643	364,000	3,572,951	357,000
Net Pension Liability - ERS	6,203,127	-	1,978,141	4,224,986	-
Net Pension Liability - TRS	5,634,544	-	2,253,391	3,381,153	-
Other Postemployment Benefit Liability	113,238,757	5,772,667	2,581,947	116,429,477	2,581,947
Total Other Non-Current Liabilities	128,715,736	6,070,310	7,177,479	127,608,567	2,938,947
Total Long-Term Liabilities	$ 211,713,483	$ 6,070,310	$ 11,336,648	$ 206,447,145	$ 6,858,947

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

General Obligation Bonds Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2024
Refunding Bonds	2015	$ 5,195,000	June, 2026	2.000 %	$ 1,180,000
Serial Bonds	2020	83,465,000	June, 2040	2.000 - 5.000	71,570,000
					$ 72,750,000

Interest expenditures of $2,374,716 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of $1,963,963 was recorded in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2024, including interest payments of $16,702,189 are as follows:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2025	$ 3,920,000	$ 2,204,469
2026	4,095,000	2,026,019
2027	3,675,000	1,839,119
2028	3,860,000	1,655,369
2029	4,050,000	1,462,369
2030-2034	22,555,000	5,025,844
2035-2039	25,210,000	2,361,106
2040	5,385,000	127,894
	$ 72,750,000	$ 16,702,189

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

Legal Debt Margin

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

Compensated Absences

The School District is not required to compensate employees for accumulated sick leave upon separation from service, except for the purposes of retirement. Vacation leave for CSEA 12 month employees is generally taken in the year subsequent to the year in which it is earned. 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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

	Tier/Plan	Rate
ERS	4 A15	14.9 %
	5 A15	12.9
	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:

	ERS	TRS
Measurement date	March 31, 2024	June 30, 2023
Net pension liability	$ 4,224,986	$ 3,381,153
School Districts' proportion of the net pension liability	0.0286945 %	0.295663 %
Change in proportion since the prior measurement date	(0.0002326) %	0.002028 %

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 $11,322,439 ($1,897,396 for ERS and $9,425,043 for TRS). Pension expenditures for ERS of $1,219,026 and TRS of $5,742,499 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	$ 1,360,865	$ 115,204	$ 8,198,395	$ 20,261
Changes of assumptions	1,597,372	-	7,279,521	1,586,532
Net difference between projected and actual earnings on pension plan investments	-	2,063,883	1,728,378	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	166,713	37,387	206,712	1,120,789
School District contributions subsequent to the measurement date	462,419	-	5,742,499	-
	$ 3,587,369	$ 2,216,474	$ 23,155,505	$ 2,727,582

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,559,260	$ 135,465
Changes of assumptions	8,876,893	1,586,532
Net difference between projected and actual earnings on pension plan investments	1,728,378	2,063,883
Changes in proportion and differences between School District contributions and proportionate share of contributions	373,425	1,158,176
School District contributions subsequent to the measurement date	6,204,918	-
	$ 26,742,874	$ 4,944,056

Note 3 - Detailed Notes on All Funds (Continued)

$462,419 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2025. The $5,742,499 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, ERS	June 30, TRS
2024	$ -	$ 1,212,312
2025	(718,549)	(1,891,601)
2026	849,954	13,366,751
2027	1,239,635	820,042
2028	(462,564)	684,200
Thereafter	-	493,720
	$ 908,476	$ 14,685,424

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.

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

	ERS March 31, 2024		TRS June 30, 2023	
Asset Type	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
	100 %		100 %	

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

Note 3 - Detailed Notes on All Funds (Continued)

payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	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)	$ 13,283,788	$ 4,224,986	$ (3,340,993)

	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)	$ 51,496,669	$ 3,381,153	$ (37,086,077)

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	225,972,801,000	137,221,536,942
Employers' net pension asset	$ 14,724,050,000	$ 1,143,585,019
Fiduciary net position as a percentage of total pension liability	93.88%	99.17%

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

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

Note 3 - Detailed Notes on All Funds (Continued)

Accrued retirement contributions as of June 30, 2024 were $462,419 to ERS and $6,930,832 to TRS, inclusive of $1,188,333 of employee contributions.

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.

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	285
Active employees	720
	1,005

The School District's total OPEB liability of $116,429,477 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022.

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%, average, including inflation
Discount rate	4.09%
Healthcare cost trend rates	6.75% for 2025, decreasing 0.25% per year to an ultimate rate of 4.5% for 2034 and later years
Retirees' share of benefit-related costs	Varies from 0% to 65%, depending on applicable retirement year and bargaining unit

The discount rate was based on an average of three 20 year bond indices (e.g., Bond Buyer – 20 year GO, S&P Municipal 20 year High Grade Rate Index, Fidelity GO AA 20 years).

Note 3 - Detailed Notes on All Funds (Continued)

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality Tables, as appropriate, with adjustments for mortality improvements based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience is not applicable.

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	$ 113,238,757
Service cost	3,409,289
Interest	4,578,664
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(2,215,286)
Benefit payments	(2,581,947)
Total OPEB Liability - End of Year	$ 116,429,477

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 (3.09%) or 1 percentage point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	$ 144,906,479	$ 116,429,477	$ 95,464,264

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 (5.75% decreasing to 3.5%) or 1 percentage point higher (7.75% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (5.75% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (6.75% decreasing to 4.5%)	1% Increase (7.75% decreasing to 5.5%)
Total OPEB Liability	$ 92,694,720	$ 116,429,477	$ 149,490,977

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended June 30, 2024, the School District recognized OPEB expense of $7,035,488 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	$ 23,796,016	$ 37,533,369

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	$ (952,465)
2026	(952,465)
2027	(913,724)
2028	(1,538,720)
2029	(4,093,163)
Thereafter	(5,286,816)
	$ (13,737,353)

E. Revenues and Expenditures

Interfund Transfers

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

	Transfers in			
Transfers Out	Special Aid Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
General Fund	$ 190,265	$ 8,651,265	$ 5,999,719	$ 14,841,249

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

Note 3 - Detailed Notes on All Funds (Continued)

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, exclusive of unexpended bond proceeds and unrestricted interest earnings.

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 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 statutes.

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".

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:				
Inventories	$ -	$ -	$ 923	$ 923
Permanent Fund	-	-	135,589	135,589
	-	-	136,512	136,512
Restricted:				
Tax certiorari	7,392,221	-	-	7,392,221
Employee benefit accrued liability	927,106	-	-	927,106
ERS retirement contributions	1,806,808	-	-	1,806,808
TRS retirement contributions	1,281,727	-	-	1,281,727
Debt service	-	-	2,822,071	2,822,071
Debt service - for subsequent year's expenditures	-	-	150,000	150,000
Capital projects	-	9,796,396	-	9,796,396
Special purposes - extraclassroom activities	-	-	71,552	71,552
Special purposes - other	-	-	82,188	82,188
	11,407,862	9,796,396	3,125,811	24,330,069
Assigned:				
Purchases on order:				
General government support	308,145	-	-	308,145
Instruction	352,694	-	-	352,694
Transportation	108,992	-	-	108,992
	769,831	-	-	769,831
For subsequent year's expenditures	2,153,266	-	-	2,153,266
School Lunch Fund	-	-	3,220,971	3,220,971
	2,923,097	-	3,220,971	6,144,068
Unassigned	5,901,522	-	(692)	5,900,830
Total Fund Balances	$ 20,232,481	$ 9,796,396	$ 6,482,602	$ 36,511,479

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.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to the General Municipal Law of the State of New York to provide funds for the payment of unused

Note 3 - Detailed Notes on All Funds (Continued)

sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

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

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

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

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the non-major governmental funds represents expenditures in excess of the corpus in the Permanent Fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

The School District is a defendant in breach of contract actions commenced by contractors who performed services for the School District's active capital projects. A claim by a contractor for the Additions and Alterations of Port Chester High School capital project alleges the fair and reasonable value of labor, materials and services provided which have not been paid is estimated to be $3 million. The School District asserted in its answer to the complaint eighteen affirmative defenses, three cross claims against the architect and three counterclaims against the contractor. This matter is currently in the discovery phase and all depositions are to be completed by December 20, 2024. The School District is vigorously contesting this action. At this time, it is not possible to make a determination that an unfavorable outcome is either probable or remote. Another claim by a contractor for the Additions and Alterations of John F. Kennedy Elementary School capital project asserts delay damages of $1.1 million and failure to pay for extra work of $516,000. On March 15, 2024, the judge ordered the parties to mediate the case. As a result of the mediation, the contractor withdrew its $516,000 claim for extra work and delay damages were reduced to $330,000. The School District is in the process of making a determination as to the settlement of this matter on a limited cost sharing basis with the architect.

B. Contingencies

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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

C. Risk Management

The School District and other school districts have formed a reciprocal insurance company, called the New York State Insurance Reciprocal ("NYSIR") to be owned by these districts. NYSIR operates under an agreement effective July 1, 1989. The purpose of NYSIR 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. NYSIR 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. NYSIR is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of NYSIR and can be assessed their proportionate share by the State Insurance Department if the funds of NYSIR are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The School District purchases various insurance coverages from NYSIR to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to $10 million and an excess catastrophe liability policy with coverage up to $15 million. The School District also maintains liability coverage for school board members up to $1 million. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

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

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

Note 5 - Tax Abatements

The Village of Port Chester Industrial Development Agency, enters into various property tax abatement agreements for the purpose of economic development.

Information relevant to disclosure of these agreements for the School District fiscal year ended June 30, 2024 is as follows:

Start Date	Agreement	Tax Yr	Taxable Assessed Value	Tax Rate	Total Tax Value	PILOT Received	Taxes Abated
12/11/2003	G&S Port Chester Unit 2A, LLC	2023/24	$ 9,273,100	$ 20.866534	$ 193,497	$ 183,132	$ 10,365
12/30/2003	G&S Port Chester Unit 2B, LLC	2023/24	9,144,300	20.866534	190,810	156,588	34,222
12/30/2003	G&S Port Chester Unit 2C, LLC	2023/24	4,009,200	20.866534	83,658	64,682	18,976
12/30/2003	G&S Port Chester Unit 2D, LLC	2023/24	2,758,600	20.866534	57,562	34,801	22,761
1/15/2008	G&S Port Chester Unit 4A, LLC	2023/24	2,993,600	20.866534	62,466	38,939	23,527
7/16/2001	Kingsport Apartment LP	2023/24	14,552,300	20.866534	303,656	74,575	229,081
4/16/2019	1618 North Main, LLC	2023/24	597,700	20.866534	12,472	12,472	-
1/1/2005	Southport Mews Preservation, LLC	2023/24	6,615,900	20.866534	138,051	48,972	89,079
1/1/2002	Port Chester Housing Authority	2023/24	6,970,100	20.866534	145,442	49,732	95,710
Total			$ 56,914,800		$ 1,187,614	$ 663,893	$ 523,721

Note 6 - Recently Issued GASB Pronouncements

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

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosures within government financial statements on 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 or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

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

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

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

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Port Chester - 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
Total OPEB Liability:			
Service cost	$ 3,409,289	$ 3,406,759	$ 2,955,817
Interest	4,578,664	4,314,480	5,815,994
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions or other inputs	(2,215,286)	(1,013,804)	(52,620,650) (4)
Benefit payments	(2,581,947)	(2,661,341)	(2,457,814)
Net Change in Total OPEB Liability	3,190,720	4,046,094	(46,306,653)
Total OPEB Liability – Beginning of Year	113,238,757	109,192,663	155,499,316
Total OPEB Liability – End of Year	$ 116,429,477	$ 113,238,757	$ 109,192,663
School District's covered-employee payroll	$ 61,338,473	$ 61,338,473	$ 50,893,559
Total OPEB liability as a percentage of covered-employee payroll	189.81%	184.61%	214.55%
Discount Rate	4.09%	4.00%	3.77%

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

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

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

(4) Increase in discount rate resulted in decrease in total OPEB liability.

See independent auditors' report.

2021	2020	2019	2018	
$ 5,098,164	$ 1,836,927	$ 1,595,080	$ 1,608,928	
3,104,231	3,011,273	2,954,706	3,399,554	
-	-	-	-	
-	-	-	-	
29,765,453	18,352,981	(1,011,541)	-	
(2,461,740)	(1,346,365)	(1,425,911)	(1,724,522)	
35,506,108	21,854,816	2,112,334	3,283,960	
119,993,208	98,138,392	96,026,058	92,742,098	(3)
$ 155,499,316	$ 119,993,208	$ 98,138,392	$ 96,026,058	
$ 50,893,559	$ 51,373,367	$ 51,373,367	$ 54,058,958	
305.54%	233.57%	191.03%	177.63%	
2.09%	2.60%	3.10%	3.10%	

Port Chester - 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)
School District's proportion of the net pension liability (asset)	0.295663%	0.293635%	0.274493%	0.272054%
School District's proportionate share of the net pension liability (asset)	$ 3,381,153	$ 5,634,544	$ (47,567,006)	$ 7,517,582
School District's covered payroll	$ 55,919,663	$ 52,792,997	$ 46,782,230	$ 46,169,638
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	6.05%	10.67%	(101.68)%	16.28%
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.57%	113.20%	97.76%
Discount Rate	6.95%	6.95%	6.95%	7.10%

Schedule of Contributions

	2024	2023	2022	2021
Contractually required contribution	$ 5,742,499	$ 5,754,133	$ 5,173,714	$ 4,458,347
Contributions in relation to the contractually required contribution	(5,742,499)	(5,754,133)	(5,173,714)	(4,458,347)
Contribution excess	$ -	$ -	$ -	$ -
School District's covered payroll	$ 58,837,079	$ 55,919,663	$ 52,792,997	$ 46,782,230
Contributions as a percentage of covered payroll	9.76%	10.29%	9.80%	9.53%

(1) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year
(2) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.
(3) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

2020	2019	2018	2017	2016	2015
0.266851%	0.276386%	0.276648%	0.264440%	0.253039%	0.246939%
$ (6,932,810)	$ (4,997,793)	$ (2,102,797)	$ 2,832,258	$ (26,282,662)	$ (27,507,425)
$ 44,464,090	$ 45,020,226	$ 44,193,746	$ 40,841,823	$ 38,010,895	$ 36,115,160
(15.59)%	(11.10)%	(4.76)%	6.93%	(69.15)%	(76.17)%
102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

2020	2019	2018	2017	2016	2015
$ 4,090,630	$ 4,731,702	$ 4,413,445	$ 5,137,511	$ 5,412,735	$ 6,667,222
(4,090,630)	(4,731,702)	(4,413,445)	(5,137,511)	(5,412,735)	(6,667,222)
$ -	$ -	$ -	$ -	$ -	$ -
$ 46,169,638	$ 44,464,090	$ 45,020,226	$ 44,193,746	$ 40,841,823	$ 38,010,895
8.86%	10.64%	9.80%	11.62% #	13.25%	17.54%

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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 (3)	2021 (3)
School District's proportion of the net pension liability (asset)	0.0286945%	0.0289271%	0.0261557%	0.0245477%
School District's proportionate share of the net pension liability (asset)	$ 4,224,986	$ 6,203,127	$ (2,138,123)	$ 24,443
School District's covered payroll	$ 11,493,276	$ 10,197,372	$ 9,340,773	$ 7,767,116
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.76%	60.83%	(22.89)%	0.31%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2024	2023	2022	2021
Contractually required contribution	$ 1,111,020	$ 944,693	$ 1,172,465	$ 1,078,412
Contributions in relation to the contractually required contribution	(1,111,020)	(944,693)	(1,172,465)	(1,078,412)
Contribution excess	$ -	$ -	$ -	$ -
School District's covered payroll	$ 11,853,123	$ 10,467,681	$ 9,934,019	$ 7,854,932
Contributions as a percentage of covered payroll	9.37%	9.02%	11.80%	13.73%

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

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

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

See independent auditors' report.

2020 (2)	2019	2018	2017	2016	2015
0.0245803%	0.0255276%	0.0257972%	0.0258177%	0.0253253%	0.0258298%
$ 6,508,999	$ 1,808,711	$ 832,591	$ 2,425,886	$ 4,064,781	$ 872,593
$ 7,753,553	$ 7,653,099	$ 7,616,404	$ 7,326,386	$ 6,953,662	$ 6,724,831
83.95%	23.63%	10.93%	33.11%	58.46%	12.98%
86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

2020	2019	2018	2017	2016	2015
$ 1,071,263	$ 1,216,331	$ 1,023,456	$ 1,029,333	$ 1,155,170	$ 1,177,300
(1,071,263)	(1,216,331)	(1,023,456)	(1,029,333)	(1,155,170)	(1,177,300)
$ -	$ -	$ -	$ -	$ -	$ -
$ 7,706,545	$ 7,659,210	$ 7,690,211	$ 7,484,345	$ 7,032,072	$ 6,768,008
13.90%	15.88%	13.31%	13.75%	16.43%	17.40%

Port Chester - 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	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	$ 67,950,049	$ 67,950,049	$ 67,771,681	$	$ (178,368)
Other tax items	4,267,249	4,267,249	4,515,962		248,713
Non-property taxes	3,200,000	3,200,000	3,704,721		504,721
Charges for services	58,000	58,000	100,229		42,229
Use of money and property	570,000	570,000	1,406,912		836,912
State aid	65,300,582	65,300,582	66,078,562		777,980
Federal aid	150,000	150,000	135,359		(14,641)
Miscellaneous	400,000	400,000	934,520		534,520
Total Revenues	141,895,880	141,895,880	144,647,946		2,752,066
EXPENDITURES					
Current					
General support					
Board of education	90,612	60,052	46,202	473	13,377
Central administration	441,927	461,743	458,741	33	2,969
Finance	1,075,663	1,038,287	973,064	12,375	52,848
Staff	620,411	620,687	580,458	-	40,229
Central services	10,417,508	9,577,303	8,688,927	295,264	593,112
Special items	1,902,553	2,468,309	2,442,333	-	25,976
Total General Support	14,548,674	14,226,381	13,189,725	308,145	728,511
Instruction					
Instruction, administration and improvement	5,654,185	5,986,641	5,708,467	3,370	274,804
Teaching - Regular school	40,965,608	39,483,085	39,060,668	136,926	285,491
Programs for students with disabilities	23,259,828	24,916,722	24,597,795	86,241	232,686
Occupational education	688,920	700,237	700,236	-	1
Teaching - Special schools	34,550	34,550	-	-	34,550
Instructional media	2,166,565	2,620,259	2,441,396	39,547	139,316
Pupil services	7,210,581	7,198,256	6,843,795	86,610	267,851
Total Instruction	79,980,237	80,939,750	79,352,357	352,694	1,234,699
Pupil transportation	4,605,134	5,113,384	4,984,715	108,992	19,677
Community services	182,324	85,881	52,863	-	33,018
Employee benefits	29,172,339	28,183,047	28,183,047	-	-
Total Expenditures	128,488,708	128,548,443	125,762,707	769,831	2,015,905
Excess of Revenues Over Expenditures	13,407,172	13,347,437	18,885,239	(769,831)	4,767,971
OTHER FINANCING USES					
Transfers out	(14,900,984)	(14,841,249)	(14,841,249)	-	-
Net Change in Fund Balance	(1,493,812)	(1,493,812)	4,043,990	$ (769,831)	$ 4,767,971
FUND BALANCE					
Beginning of Year	1,493,812	1,493,812	16,188,491		
End of Year	$ -	$ -	$ 20,232,481		

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

General Fund
Schedule of Revenues Compared to Budget
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	$ 67,950,049	$ 67,950,049	$ 67,771,681	$ (178,368)
OTHER TAX ITEMS				
School tax relief reimbursement	3,852,069	3,852,069	3,852,069	-
Payments in lieu of taxes	415,180	415,180	663,893	248,713
	4,267,249	4,267,249	4,515,962	248,713
NON-PROPERTY TAXES				
Non-property tax distribution from County	3,200,000	3,200,000	3,704,721	504,721
CHARGES FOR SERVICES				
Transportation for other governments	30,000	30,000	70,295	40,295
Health services - Other districts	10,000	10,000	12,551	2,551
Other	18,000	18,000	17,383	(617)
	58,000	58,000	100,229	42,229
USE OF MONEY AND PROPERTY				
Earnings on investments	350,000	350,000	1,031,987	681,987
Rental of real property	220,000	220,000	374,925	154,925
	570,000	570,000	1,406,912	836,912
STATE AID				
Basic formula	63,218,439	56,784,031	56,248,365	(535,666)
Lottery aid	-	6,434,408	6,434,408	-
BOCES aid	1,620,779	1,620,779	2,093,596	472,817
Textbook aid	461,364	461,364	216,164	(245,200)
Computer software aid	-	-	136,647	136,647
Library materials aid	-	-	29,581	29,581
SMART schools	-	-	919,801	919,801
	65,300,582	65,300,582	66,078,562	777,980

FEDERAL AID				
Medical assistance	150,000	150,000	135,359	(14,641)
MISCELLANEOUS				
Refund of prior year's expenditures	75,000	75,000	18,705	(56,295)
Refunds of BOCES aided services	200,000	200,000	744,365	544,365
Other	125,000	125,000	171,450	46,450
	400,000	400,000	934,520	534,520
TOTAL REVENUES	$ 141,895,880	$ 141,895,880	$ 144,647,946	$ 2,752,066

See independent auditors' report.

Port Chester - 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
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	$ 34,400	$ 33,900	$ 24,503	$ 400	$ 8,997
District clerk	20,412	412	51	-	361
District meeting	35,800	25,740	21,648	73	4,019
Total Board of Education	90,612	60,052	46,202	473	13,377
CENTRAL ADMINISTRATION					
Chief school administrator	441,927	461,743	458,741	33	2,969
FINANCE					
Business administration	869,038	823,062	772,619	750	49,693
Accounting and auditing	74,125	74,125	59,345	11,625	3,155
Treasurer	130,000	130,000	130,000	-	-
Other	2,500	11,100	11,100	-	-
Total Finance	1,075,663	1,038,287	973,064	12,375	52,848
STAFF					
Legal	225,000	228,840	228,835	-	5
Personnel	296,614	297,462	259,345	-	38,117
Records management officer	5,000	3,775	3,775	-	-
Public information and services	93,797	90,610	88,503	-	2,107
Total Staff	620,411	620,687	580,458	-	40,229

CENTRAL SERVICES					
Operation of plant	5,753,468	5,348,003	4,951,247	125,433	271,323
Maintenance of plant	2,798,088	2,422,058	1,957,117	169,351	295,590
Central printing and mailing	304,300	316,000	289,323	480	26,197
Central data processing	1,561,652	1,491,242	1,491,240	-	2
Total Central Services	10,417,508	9,577,303	8,688,927	295,264	593,112
SPECIAL ITEMS					
Unallocated insurance	494,093	554,603	554,597	-	6
Judgments and claims	10,000	510,000	500,000	-	10,000
Assessments on school property	72,000	77,246	77,246	-	-
Refund of school property tax	500,000	500,000	488,480	-	11,520
Administrative charge - BOCES	682,416	682,416	682,416	-	-
Other	144,044	144,044	139,594	-	4,450
Total Special Items	1,902,553	2,468,309	2,442,333	-	25,976
Total General Support	14,548,674	14,226,381	13,189,725	308,145	728,511
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	1,172,575	1,335,581	1,260,679	-	74,902
Supervision - Regular school	4,038,313	3,984,070	3,817,071	170	166,829
Research, planning and evaluation	105,728	93,610	93,609	-	1
In-service training - Instruction	337,569	573,380	537,108	3,200	33,072
Total Instruction, Administration and Improvement	5,654,185	5,986,641	5,708,467	3,370	274,804
TEACHING - REGULAR SCHOOL	40,965,608	39,483,085	39,060,668	136,926	285,491
PROGRAMS FOR STUDENTS WITH DISABILITIES	23,259,828	24,916,722	24,597,795	86,241	232,686
OCCUPATIONAL EDUCATION	688,920	700,237	700,236	-	1

(Continued)

Port Chester - 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
INSTRUCTION (Continued)					
TEACHING - SPECIAL SCHOOLS	$ 34,550	$ 34,550	$ -	$ -	$ 34,550
INSTRUCTIONAL MEDIA					
School library and audiovisual	653,843	659,792	621,755	2,355	35,682
Educational television	76,186	182,177	119,703	28,686	33,788
Computer assisted instruction	1,436,536	1,778,290	1,699,938	8,506	69,846
Total Instructional Media	2,166,565	2,620,259	2,441,396	39,547	139,316
PUPIL SERVICES					
Guidance - Regular school	1,976,583	1,729,499	1,718,768	-	10,731
Health services - Regular school	1,130,144	1,244,597	1,222,583	4,536	17,478
Psychological services - Regular school	1,679,984	1,595,864	1,486,575	-	109,289
Social work services	877,508	774,758	718,523	41,339	14,896
Co-curricular activities - Regular school	327,000	528,153	449,289	6,633	72,231
Interscholastic activities - Regular school	1,219,362	1,325,385	1,248,057	34,102	43,226
Total Pupil Services	7,210,581	7,198,256	6,843,795	86,610	267,851
Total Instruction	79,980,237	80,939,750	79,352,357	352,694	1,234,699
PUPIL TRANSPORTATION					
District transportation services	21,012	21,012	21,012	-	-
Contract transportation	4,569,122	5,071,012	4,942,343	108,992	19,677
Transportation from BOCES	15,000	21,360	21,360	-	-
Total Pupil Transportation	4,605,134	5,113,384	4,984,715	108,992	19,677
COMMUNITY SERVICES					
Census	182,324	85,881	52,863	-	33,018

EMPLOYEE BENEFITS					
State retirement	1,750,539	1,219,026	1,219,026	-	-
Teachers' retirement	5,806,186	5,742,499	5,742,499	-	-
Social security	5,422,758	5,238,737	5,238,737	-	-
Workers' compensation benefits	424,000	410,678	410,678	-	-
Life Insurance	11,636	11,636	11,636	-	-
Unemployment benefits	60,000	-	-	-	-
Hospital and medical insurance	14,542,000	14,358,827	14,358,827	-	-
Employee assistance program	9,000	35,830	35,830	-	-
Vacation payout	220,000	184,627	184,627	-	-
Union welfare benefits	926,220	981,187	981,187	-	-
Total Employee Benefits	29,172,339	28,183,047	28,183,047	-	-
TOTAL EXPENDITURES	128,488,708	128,548,443	125,762,707	769,831	2,015,905
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	8,651,265	8,651,265	8,651,265	-	-
Special Aid Fund	250,000	190,265	190,265	-	-
School Lunch Fund	25,000	25,000	25,000	-	-
Debt Service Fund	5,974,719	5,974,719	5,974,719	-	-
TOTAL OTHER FINANCING USES	14,900,984	14,841,249	14,841,249	-	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 143,389,692	$ 143,389,692	$ 140,603,956	$ 769,831	$ 2,015,905

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

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

Project	Appropriation	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
2017 Bond Referendum				
High School Additions and Reconstruction	$ 48,481,561	$ 46,564,867	$ -	$ 46,564,867
Edison Green Space and Reconstruction	440,468	416,764	-	416,764
JFK Additions and Reconstruction	16,375,159	16,068,525	20,950	16,089,475
King Street Additions and Reconstruction	11,549,448	10,770,664	750,313	11,520,977
Park Avenue Additions and Reconstruction	3,103,364	2,936,228	-	2,936,228
Total 2017 Bond Referendum	79,950,000	76,757,048	771,263	77,528,311
MS Façade and Window Replacement	11,025,000	10,597,808	-	10,597,808
High School Standpipe	550,000	542,924	-	542,924
PA Systems - Districtwide	127,401	-	-	-
Middle School Interior Doors	25,600	11,495	-	11,495
Hurricane Ida Repairs	3,060,063	3,060,063	-	3,060,063
LED Project - Districtwide	1,804,000	76,050	16,363	92,413
Lighting Replacement Project - Districtwide	3,500,000	-	113,569	113,569
Security Upgrades - Districtwide	4,975,765	-	618,907	618,907
Boiler Replacement Project	175,500	-	20,359	20,359
Totals	$ 105,193,329	$ 91,045,388	$ 1,540,461	$ 92,585,849

See independent auditors' report.

Unexpended Balance	Methods of Financing: Proceeds of Obligations	Methods of Financing: Transfers	Methods of Financing: Federal Aid	Methods of Financing: Totals	Fund Balance (Deficit) at June 30, 2024
$ 1,916,694	$ 49,307,312	$ -	-	$ 49,307,312	$ 2,742,445
23,704	440,468	-	-	440,468	23,704
285,684	16,354,143	-	-	16,354,143	264,668
28,471	10,744,713	-	-	10,744,713	(776,264)
167,136	3,103,364	-	-	3,103,364	167,136
2,421,689	79,950,000	-	-	79,950,000	2,421,689
427,192	11,025,000	-	-	11,025,000	427,192
7,076	-	550,000	-	550,000	7,076
127,401	-	127,401	-	127,401	127,401
14,105	-	25,600	-	25,600	14,105
-	-	-	248,979	248,979	(2,811,084)
1,711,587	-	1,804,000	-	1,804,000	1,711,587
3,386,431	-	3,500,000	-	3,500,000	3,386,431
4,356,858	-	4,975,765	-	4,975,765	4,356,858
155,141	-	175,500	-	175,500	155,141
$ 12,607,480	$ 90,975,000	$ 11,158,266	$ 248,979	$ 102,382,245	$ 9,796,396

Port Chester - Rye Union Free School District, New York

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

	School Lunch	Special Purpose	Permanent
ASSETS			
Cash and equivalents	$ 471,901	$ 265,833	$ 134,897
Investments	-	-	-
Receivables			
State and Federal aid	184,799	-	-
Due from other funds	2,712,368	-	-
	2,897,167	-	-
Inventories	923	-	-
Total Assets	$ 3,369,991	$ 265,833	$ 134,897
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	$ 130,164	$ -	$ -
Accrued liabilities	9,175	-	-
Unearned revenues	8,758	-	-
Due to other funds	-	112,093	-
Total Liabilities	148,097	112,093	-
Fund balances (deficits)			
Nonspendable	923	-	135,589
Restricted	-	153,740	-
Assigned	3,220,971	-	-
Unassigned	-	-	(692)
Total Fund Balances (Deficits)	3,221,894	153,740	134,897
Total Liabilities and Fund Balances (Deficits)	$ 3,369,991	$ 265,833	$ 134,897

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds
$ 454,957	$ 1,327,588
2,650,721	2,650,721
-	184,799
-	2,712,368
-	2,897,167
-	923
$ 3,105,678	$ 6,876,399
$ -	$ 130,164
-	9,175
-	8,758
133,607	245,700
133,607	393,797
-	136,512
2,972,071	3,125,811
-	3,220,971
-	(692)
2,972,071	6,482,602
$ 3,105,678	$ 6,876,399

Port Chester - 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

	School Lunch	Special Purpose	Permanent
REVENUES			
Use of money and property	$ 3,229	$ 5,101	$ 2,247
State aid	376,847	-	-
Federal aid	2,317,640	-	-
Food sales	85,103	-	-
Miscellaneous	-	191,413	-
Total Revenues	2,782,819	196,514	2,247
EXPENDITURES			
Current			
Cost of food sales	2,145,222	-	-
Other	-	190,326	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	2,145,222	190,326	-
Excess (Deficiency) of Revenues Over Expenditures	637,597	6,188	2,247
OTHER FINANCING SOURCES			
Transfers in	25,000	-	-
Net Change in Fund Balances	662,597	6,188	2,247
FUND BALANCES			
Beginning of Year	2,559,297	147,552	132,650
End of Year	$ 3,221,894	$ 153,740	$ 134,897

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds
$ 142,291	$ 152,868
-	376,847
-	2,317,640
-	85,103
-	191,413
142,291	3,123,871
-	2,145,222
-	190,326
3,750,000	3,750,000
2,374,716	2,374,716
6,124,716	8,460,264
(5,982,425)	(5,336,393)
5,974,719	5,999,719
(7,706)	663,326
2,979,777	5,819,276
$ 2,972,071	$ 6,482,602

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

Adopted Budget	$ 142,895,880
Additions -	
Encumbrances	493,812
Original/Final Budget	$ 143,389,692

General Fund
Section 1318 of Real Property Tax Law Limit Calculation
Year Ended June 30, 2024

2024-25 Expenditure Budget		$ 147,538,047
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	$ 2,923,097	
Unassigned fund balance	5,901,522	
Total Unrestricted Fund Balance	8,824,619	
Less		
Encumbrances	769,831	
Appropriated for subsequent year's budget	2,153,266	
Total Adjustments	2,923,097	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 5,901,522
Actual Percentage		4.00%

See independent auditors' report.

Port Chester - Rye Union Free School District, New York

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

Capital Assets, net		$ 113,731,464
Less		
General obligation bonds payable	$ (72,750,000)	
Unamortized portion of issuance premium on bonds	(6,088,578)	(78,838,578)
Plus		
Unexpended bond proceeds	2,848,881	
Unamortized portion of loss on refunding bonds	14,624	2,863,505
Net Investment in Capital Assets		$ 37,756,391

See independent auditors' report.

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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
Port Chester - 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 Port Chester - 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 7, 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.

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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 7, 2024

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

Independent Auditors' Report

The Board of Education of the
Port Chester - Rye Union Free School District, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
October 7, 2024

Port Chester - Rye Union Free School District, New York

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub-recipients	Total Federal Expenditures
U.S. Department of Agriculture				
Indirect Programs - Passed through New York State Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	$ -	$ 300,809
National School Lunch Program - Commodities	10.555	N/A	-	110,741
National School Lunch Program - Cash	10.555	N/A	-	1,906,090
Total U.S. Department of Agriculture			-	2,317,640
U.S. Department of Education				
Indirect Programs - Passed through New York State Department of Education				
Title I Grants to Local Educational Agencies	84.010	021-24-3795	-	1,487,129
Title I Grants to Local Educational Agencies	84.010	021-23-3795	-	121,048
			-	1,608,177
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	032-24-1093	-	254,555
Special Education - Grants to States	84.027	032-23-1093	-	692,938
Special Education - Preschool Grants	84.173	033-24-1093	-	14,042
Special Education - Preschool Grants	84.173	033-23-1093	-	8,899
Subtotal Special Education Cluster			-	970,434
Education for Homeless Children and Youth	84.196	0212-24-3022	-	62,640
Education for Homeless Children and Youth	84.196	0212-23-3022	-	54,041
			-	116,681
English Language Acquisition State Grants	84.365	0293-24-3795	-	152,682
English Language Acquisition State Grants	85.365	0149-24-3795	-	33,571
English Language Acquisition State Grants	84.365	0293-23-3795	-	34,353
			-	220,606
Supporting Effective Instruction State Grants	84.367	0147-24-3795	-	100,496
Student Support and Academic Enrichment Program	84.424	0204-24-3795	-	6,464
Student Support and Academic Enrichment Program	84.424	0204-23-3795	-	47,703
Student Support and Academic Enrichment Program	84.424	0204-22-3795	-	1,980
Student Support and Academic Enrichment Program	84.424	0204-21-3795	-	3,905
			-	60,052
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425D	5891-21-3795	-	1,156,483
American Rescue Plan (ARP) ESSER II	84.425U	5875-22-0005	-	142,500
American Rescue Plan (ARP) ESSER II	84.425U	5880-21-3795	-	4,169,312
American Rescue Plan (ARP) ESSER II	84.425U	5882-21-3795	-	91,955
American Rescue Plan (ARP) ESSER II	84.425U	5884-21-3795	-	58,500
American Rescue Plan (ARP) ESSER Homeless II	84.425W	5218-21-3795	-	9,446
American Rescue Plan (ARP) ESSER Homeless II	84.425W	5219-21-3795	-	6,125
American Rescue Plan (ARP) Outlying Areas	84.425X	5532-22-1093	-	69,448
American Rescue Plan (ARP) Outlying Areas	84.425X	5532-23-1093	-	1,745
			-	5,705,514
Total U.S. Department of Education			-	8,781,960

(Continued)

Port Chester - Rye Union Free School District, New York

Schedule of Expenditures of Federal Awards (Concluded)
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub-recipients	Total Federal Expenditures
U.S. Department of Homeland Security				
Indirect Program - Passed through New York State Division of Homeland Security and Emergency Services				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4615-NY	-	248,979
Total Expenditures of Federal Awards			$ -	$ 11,348,579

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

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

Port Chester - Rye Union Free School District, New York

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

Section I - Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

• Material weakness(es) identified?	____Yes ___X__No
• Significant deficiency(ies) identified?	____Yes ___X__None reported

Noncompliance material to financial statements noted?	____Yes ___X__No

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified?	____Yes ___X__No
• Significant deficiency(ies) identified?	____Yes ___X__None reported

Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____Yes ___X__No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
	Special Education *Cluster (IDEA)*
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)
84.425U	American Rescue Plan (ARP) ESSER II
84.425W	American Rescue Plan (ARP) ESSER Homeless II
84.425X	American Rescue Plan (ARP) Outlying Areas

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	___X__Yes _____No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None