

**EASTCHESTER UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**EASTCHESTER UNION FREE SCHOOL DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Eastchester Union Free School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2024, and the respective changes in financial position 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 the management's discussion and analysis and budgetary comparison information, schedule of changes in District's schedule of District's proportionate share of the net pension asset/(liability), schedule of District's pension contributions, and total other post-employment benefits liability and related ratios, on pages 6 - 19 and 62 - 66 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 District's basic financial statements. The other supplementary information as listed in the table of contents and 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 nonmajor fund financial statements 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 September 24, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
September 24, 2024

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The following is a discussion and analysis of the Eastchester Union Free School District’s (the “District”) financial performance for the fiscal year ended June 30, 2024. This section is a summary of the District’s financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District’s financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- The District’s total net deficit increased by \$4,488,890 or 8.29% to \$58,637,996 at June 30, 2024 due to expenses exceeding revenues on the accrual basis of accounting.
- The District received \$1,370,640 in operating grants and contributions to support instructional programs.
- Revenue from state sources increased by \$4,052,552 or 32.54% from the prior year. This increase is primarily driven by increases in general state aid and lottery aid.
- Fund balance in the general fund increased by \$1,299,940 or 10.12% from the prior year. This was due to an excess of revenues and other financing sources over expenditures and other financing uses based on the modified accrual basis of accounting.
- On January 25, 2024, the District issued and had outstanding at year-end, bond anticipation notes (“BANs”) totaling \$29,500,000. The BAN has a stated interest rate of 4.250% per annum and matures on January 24, 2025. The District received \$284,380 in premiums related to the issuance of debt. Short-term financing will be used to fund ongoing capital projects.
- New York State Law limits the amount of assigned and unassigned fund balance, excluding encumbrances and amounts designated for the subsequent year’s budget, which can be retained by the general fund up to 4.00% of the ensuing year’s budget. At the end of the current fiscal year, the District was within the statutory limit.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

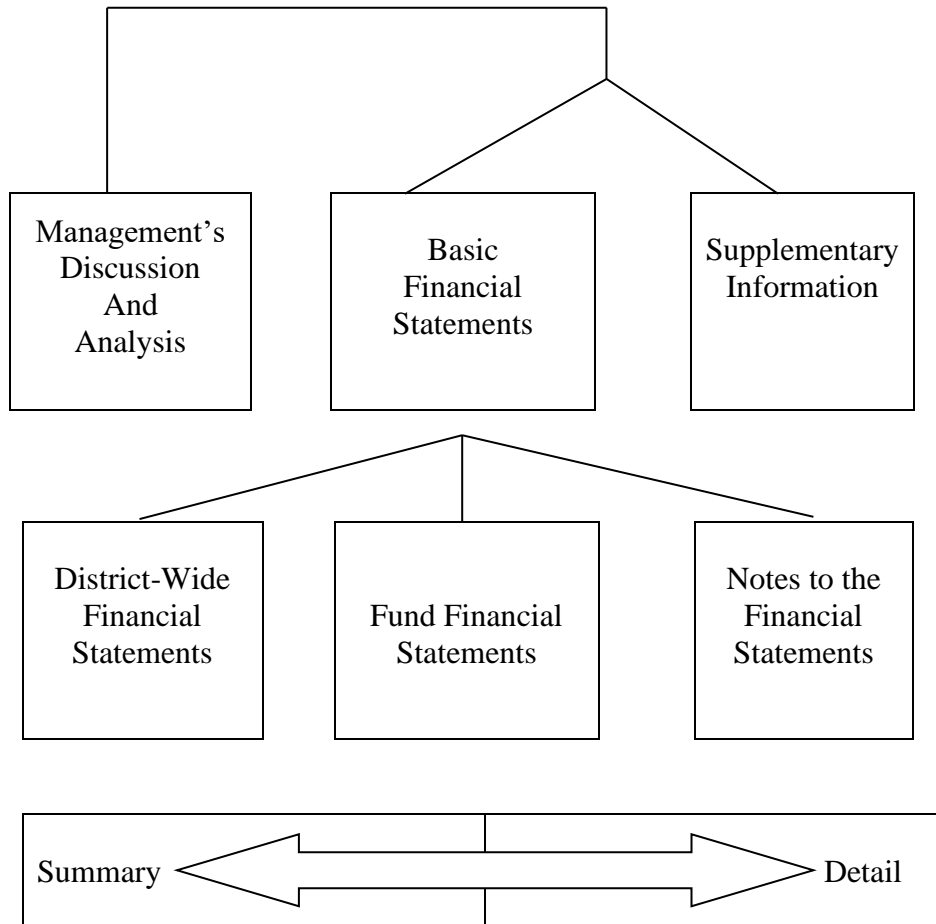
This annual report consists of four parts: management’s discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.
 - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Organization of the District’s Annual Financial Report



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

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Major Features of the District-Wide Financial Statements and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire entity	The day-to-day operating activities of the District, such as special education and instruction
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus
Type of asset/deferred outflow of resources and liability/deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Current assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets, intangible lease assets, or long-term liabilities included
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable

A) District-Wide Financial Statements:

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

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

- Over time, increases and decreases in net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District’s property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

resources. Also, capital assets and intangible lease assets are reported as expenditures when financial resources (money) are expended to purchase, finance, or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets, intangible lease assets, and long-term debt are accounted for in account groups and do not affect the fund balances.

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

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

B) Fund Financial Statements:

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

The District has one kind of fund:

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position:

The District's net deficit increased by \$4,488,890 in the fiscal year ended June 30, 2024 as detailed in the Table that follows.

Condensed Statement of Net Position

	2024	2023	Change	Percentage Change
Current assets	\$ 40,955,548	\$ 36,309,786	\$ 4,645,762	12.79%
Noncurrent assets	88,722,779	77,856,178	10,866,601	13.96%
Total Assets	129,678,327	114,165,964	15,512,363	13.59%
Deferred outflows of resources	41,143,658	52,391,620	(11,247,962)	(21.47%)
Total Assets and Deferred Outflows	170,821,985	166,557,584	4,264,401	2.56%
Current liabilities	40,594,706	24,375,164	16,219,542	66.54%
Long-term liabilities	155,705,759	161,148,889	(5,443,130)	(3.38%)
Total Liabilities	196,300,465	185,524,053	10,776,412	5.81%
Deferred inflows of resources	33,159,516	35,182,637	(2,023,121)	(5.75%)
Total Liabilities and Deferred Inflows	229,459,981	220,706,690	8,753,291	3.97%
Net position (deficit)				
Net investment in capital assets	53,803,380	41,860,774	11,942,606	28.53%
Restricted	7,309,597	8,167,677	(858,080)	(10.51%)
Unrestricted (deficit)	(119,750,973)	(104,177,557)	(15,573,416)	14.95%
Total Net Position (Deficit)	\$ (58,637,996)	\$ (54,149,106)	\$ (4,488,890)	8.29%

Current assets increased by \$4,645,762 from 2023 to 2024 due to increases in cash and cash equivalents in the general fund and capital projects fund, increases in state and federal aid receivable, offset by a decrease in due from other governments.

Non-current assets (net of depreciation and amortization) increased by \$10,866,601 due to current year additions and outlay exceeding depreciation and amortization expense.

The change in deferred outflows of resources represents amortization of the pension related items and the change in the District's contributions subsequent to the measurement date, as discussed in Note 13, changes in assumptions or other inputs for other post-employment benefits, as discussed in Note 15, as well as amortization on the deferred amounts on refunding as discussed in Note 12.

Current liabilities increased by \$16,219,542, due to increases in bond anticipation note payable, accounts payable and due to teachers retirement system.

Long-term liabilities decreased by \$5,443,130 as a result of changes in the actuarial valuations for the net pension liabilities. The changes in deferred inflows represent amortization of pension related items as discussed in Note 13, as well as deferred inflows related to the other post-employment benefits obligation as discussed in Note 15.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The net investment in capital assets relates to the investment in capital assets at cost and intangible lease assets (at the present value of future lease payments remaining on the lease term for intangible lease assets) such as land, construction in progress, building and building improvements, and furniture and equipment, net of accumulated depreciation and amortization and related debt.

The restricted net position at June 30, 2024, relates to the District's reserve funds established for specific purposes and amounts restricted for debt service and scholarships and donations. Restricted net position decreased by \$858,080 as a result of District usage exceeding contributions.

The unrestricted deficit increased by \$15,573,416 as a result of the activities shown below.

B) Changes in Net Position:

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the fiscal years ended June 30, 2024 and 2023 are as follows:

Change in Net Position from Operating Results

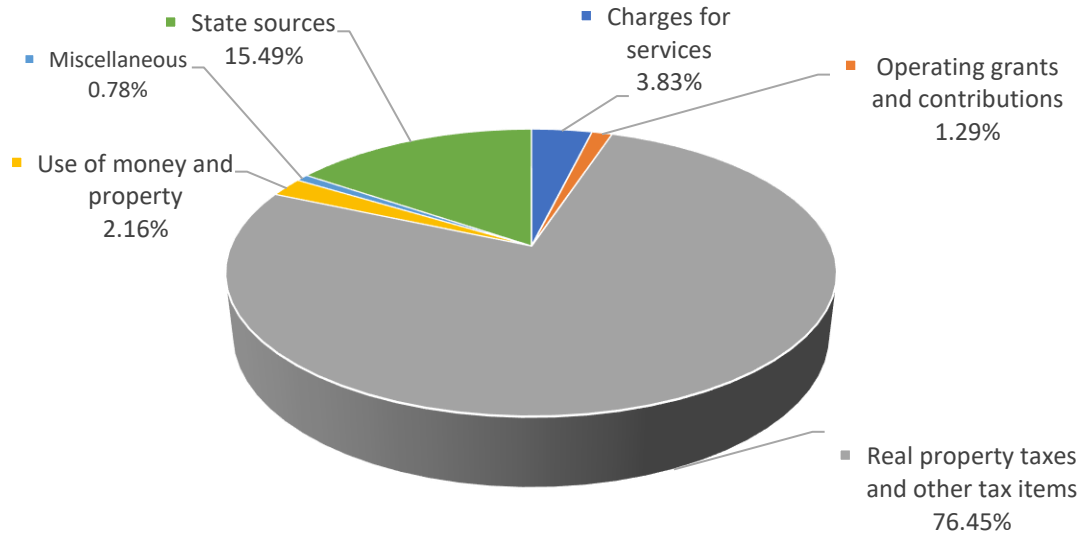
	2024	2023	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$ 4,081,247	\$ 4,340,814	\$ (259,567)	(5.98%)
Operating grants and contributions	1,370,640	1,698,449	(327,809)	(19.30%)
General Revenues				
Real property taxes and other tax items	81,485,913	81,314,758	171,155	0.21%
Use of money and property	2,305,112	887,293	1,417,819	159.79%
Sale of property and compensation for loss	-	11,759	(11,759)	100.00%
Miscellaneous	841,271	536,180	305,091	56.90%
State sources	16,507,534	12,454,982	4,052,552	32.54%
Total Revenues	<u>106,591,717</u>	<u>101,244,235</u>	<u>5,347,482</u>	5.28%
Expenses				
General support	16,663,685	15,345,115	1,318,570	8.59%
Instruction	86,327,704	77,120,329	9,207,375	11.94%
Pupil transportation	5,260,738	4,445,969	814,769	18.33%
Food service program	1,333,840	1,264,006	69,834	5.52%
Debt service - interest	1,494,640	1,061,438	433,202	40.81%
Total Expenses	<u>111,080,607</u>	<u>99,236,857</u>	<u>11,843,750</u>	11.93%
Total Change in Net Position	<u>\$ (4,488,890)</u>	<u>\$ 2,007,378</u>	<u>\$ (6,496,268)</u>	(323.62%)

Real property taxes and other tax items and state sources accounted for 91.94% of the District's total revenue. The remainder came from fees charged for services, operating grants and contributions, use of money and property, and other miscellaneous sources. Total revenues increased by \$5,347,482 or 5.28%, due to an increase in real property taxes and other tax items, use of money and property, and state sources.

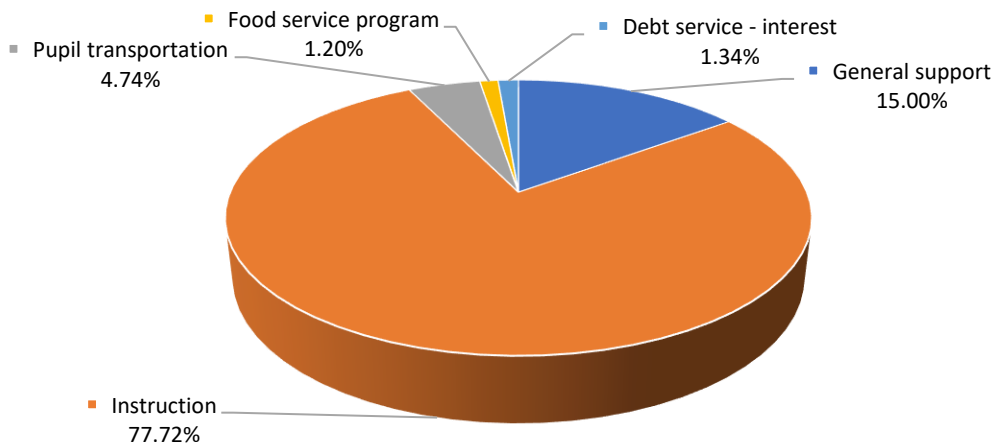
**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Instruction and general support accounted for 92.72% of the District’s expenses. Total expenses increased by \$11,843,750 or 11.93%, due to increases in instruction and pupil transportation expenses relating to changes in pension and OPEB related expenses based on the current year actuarial valuations.

Revenues for Fiscal Year 2024:



Expenses for Fiscal Year 2024:



**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As of June 30, 2024, the District's combined governmental funds reported a total fund balance of \$360,842. See Table on the following page for more information.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

	2024	2023	Increase/ (Decrease)	Percentage Change
General Fund				
Retirement contribution:				
Employee retirement system	\$ 107,028	\$ 101,931	\$ 5,097	5.00%
Teachers' retirement system	824,116	784,872	39,244	5.00%
Restricted for property loss	60,015	57,157	2,858	5.00%
Restricted for liability	24,624	23,451	1,173	5.00%
Restricted for tax certiorari	3,747,862	3,665,734	82,128	2.24%
Restricted for employee benefit accrued liability	1,383,526	2,308,265	(924,739)	(40.06%)
Restricted for unemployment	155,479	-	155,479	100.00%
Assigned - subsequent year's tax levy	2,325,000	1,575,000	750,000	47.62%
Assigned - encumbrances	1,290,373	410,635	879,738	214.24%
Unassigned	4,227,699	3,918,737	308,962	7.88%
Total Fund Balance - General Fund	<u>\$ 14,145,722</u>	<u>\$ 12,845,782</u>	<u>\$ 1,299,940</u>	10.12%
School Lunch Fund				
Assigned - unappropriated	\$ 46,998	\$ 76,741	\$ (29,743)	(38.76%)
Total - School Lunch Fund	<u>\$ 46,998</u>	<u>\$ 76,741</u>	<u>\$ (29,743)</u>	(38.76%)
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	\$ 127,923	\$ 573,129	\$ (445,206)	(77.68%)
Assigned - unappropriated	703,748	235,208	468,540	199.20%
Total - Miscellaneous Special Revenue Fund	<u>\$ 831,671</u>	<u>\$ 808,337</u>	<u>\$ 23,334</u>	2.89%
Capital Projects Fund				
Unassigned	\$ (15,542,573)	\$ (2,206,957)	\$ (13,335,616)	604.25%
Total - Capital Projects Fund	<u>\$ (15,542,573)</u>	<u>\$ (2,206,957)</u>	<u>\$ (13,335,616)</u>	604.25%
Debt Service Fund				
Restricted for debt service	\$ 879,024	\$ 653,138	\$ 225,886	34.58%
Total - Debt Service Fund	<u>\$ 879,024</u>	<u>\$ 653,138</u>	<u>\$ 225,886</u>	34.58%
Total Fund Balance - All Funds	<u>\$ 360,842</u>	<u>\$ 12,177,041</u>	<u>\$ (11,816,199)</u>	(97.04%)

A) General Fund

A summary of changes in revenues, other financing sources, expenditures, and other financing uses for the general fund for the fiscal years ended June 30, 2024 and 2023 is as follows:

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	2024	2023	Increase/ (Decrease)	Total Percentage Change
Revenues				
Real property taxes	\$ 74,653,201	\$ 73,608,458	\$ 1,044,743	1.42%
Other tax items	6,832,712	7,706,300	(873,588)	(11.34%)
Charges for services	2,019,865	2,392,355	(372,490)	(15.57%)
Use of money and property	2,299,528	884,099	1,415,429	160.10%
Sale of property and compensation for lo	-	11,759	(11,759)	(100.00%)
Miscellaneous	556,891	476,619	80,272	16.84%
State sources	16,507,534	12,454,982	4,052,552	32.54%
Total Revenues	<u>102,869,731</u>	<u>97,534,572</u>	<u>5,335,159</u>	5.47%
Other Financing Sources				
Operating transfers in	59,133	201	58,932	29319.40%
Total Other Financing Sources	<u>59,133</u>	<u>201</u>	<u>58,932</u>	29319.40%
Expenditures				
General support	12,555,094	11,077,786	1,477,308	13.34%
Instruction	55,249,457	52,440,148	2,809,309	5.36%
Pupil transportation	4,965,377	4,218,622	746,755	17.70%
Employee benefits	24,186,492	20,918,799	3,267,693	15.62%
Debt service - principal	2,889,304	4,026,875	(1,137,571)	(28.25%)
Debt service - interest	1,596,046	1,203,798	392,248	32.58%
Total Expenditures	<u>101,441,770</u>	<u>93,886,028</u>	<u>7,555,742</u>	8.05%
Other Financing Uses				
Operating transfers out	187,154	2,259,827	(2,072,673)	(91.72%)
Total Other Financing Uses	<u>187,154</u>	<u>2,259,827</u>	<u>(2,072,673)</u>	(91.72%)
Net Change in Fund Balances	<u>\$ 1,299,940</u>	<u>\$ 1,388,918</u>	<u>\$ (88,978)</u>	(6.41%)

Revenues increased when compared to the prior year, primarily due to the following:

- Real property taxes increased due to a rise in the tax levy in accordance with the 2023-2024 voter approved budget.
- Use of money and property increased due to an increase in interest rates.
- Revenues from state sources increased due to more general state aid received in the current year.

Expenditures increased when compared to the prior year, primarily due to the following:

- Central services increased due to more spent-on repairs and maintenance and data processing services provided by BOCES.
- Instruction increased due to salary increases and pupil service expenditures.
- Employee benefits increased due to higher premium costs for medical insurance and increases in retirement payouts.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The following is a summary of the general fund’s restricted fund balance activity for the fiscal year ended June 30, 2024:

	Beginning Balance	Funding	Interest	Use	Ending Balance
Retirement contribution:					
Employees' retirement system	\$ 101,931	\$ -	\$ 5,097	\$ -	\$ 107,028
Teachers' retirement system	784,872		39,244		824,116
Property loss	57,157		2,858		60,015
Liability	23,451		1,173		24,624
Tax certiorari	3,665,734		178,470	(96,342)	3,747,862
Employee benefit accrued liability	2,308,265		96,700	(1,021,439)	1,383,526
Unemployment	-	155,479			155,479
Total Restricted Fund Balance	<u>\$ 6,941,410</u>	<u>\$ 155,479</u>	<u>\$ 323,542</u>	<u>\$ (1,117,781)</u>	<u>\$ 6,302,650</u>

B) School Lunch Fund

The net change in fund balance in the school lunch fund is a decrease of \$29,743 due to current year revenues exceeding food service costs.

C) Miscellaneous Special Revenue Fund

The net change in fund balance in the miscellaneous special revenue fund is an increase of \$23,334, due to revenues exceeding expenditures in the extraclassroom activity funds offset by expenditures exceeding revenues for scholarships and donations.

E) Capital Projects Fund

The net change in fund balance in the capital projects fund is a decrease of \$13,335,616. This decrease is due to capital outlay of \$13,335,616.

D) Debt Service Fund

The net change in fund balance in the debt service fund is an increase of \$225,886 as a result of BAN premium issued offset by an operating transfer out of \$58,494 to the general fund.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2023-2024 Budget:

The District’s voter approved budget for the year ended June 30, 2024 was \$102,614,070. This amount was increased by prior year encumbrances carried forward into 2024 of \$410,635, an appropriation from reserves for payment of tax certiorari judgments in the amount of \$96,342, an appropriation from reserves for payment of compensated absences of \$1,021,439, and donations of \$54,527 resulting in a final budget of \$104,197,013. The majority of the funding was real property taxes and other tax items, budget totaling \$81,208,000.

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

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

Opening, unassigned fund balance	\$3,918,737
Revenues and other financing sources over budget	1,835,267
Expenditures, other financing uses, and encumbrances under budget	1,277,716
Interest allocated to reserves	(323,542)
Funding to unemployment reserve	(155,479)
Assigned – appropriated for June 30, 2025	<u>(2,325,000)</u>
Closing, unassigned fund balance	<u>\$4,227,699</u>

The opening unassigned fund balance of \$3,918,737 is the June 30, 2023 unassigned fund balance.

The revenues and other financing sources over budget of \$1,835,267 were primarily in use of money and property and state aid.

The expenditures, other financing uses, and encumbrances under budget of \$1,277,716 were primarily in instruction, employee benefits, and general support.

Interest of \$323,542 was allocated to the reserves in accordance with District policy.

The District funded the unemployment reserve in the amount of \$155,479.

The assigned-appropriated fund balance of \$2,325,000 for the June 30, 2025 budget is the amount the District has chosen to use to fund its operating budget for 2024-2025.

The District closed the 2023-2024 fiscal year with \$4,227,699 in unassigned fund balance. The District’s unassigned fund balance is in compliance with NYS Real Property Tax Law §1318. See Supplemental Schedule #5 for more details.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

6. CAPITAL ASSETS, INTANGIBLE LEASE ASSETS, AND DEBT ADMINISTRATION

A) Capital Assets and Intangible Lease Assets:

The District paid for and financed various building improvements, renovations, and equipment during the year. A summary of the District's net capital assets and intangible lease assets are as follows:

Capital Assets and Intangible Lease Assets (Net of Accumulated Depreciation and Amortization)

Category	2024	2023	Net Increase/ (Decrease)	Percentage Change
Land	\$ 365,200	\$ 365,200	\$ -	0.00%
Construction in Progress	17,661,781	7,176,116	10,485,665	146.12%
Buildings and Building Improvements	104,511,463	101,634,324	2,877,139	2.83%
Furniture and Equipment	2,587,147	2,474,608	112,539	4.55%
Land Improvements	1,771,617	1,339,893	431,724	32.22%
Vehicles	487,152	387,595	99,557	25.69%
Subtotal	<u>127,384,360</u>	<u>113,377,736</u>	<u>14,006,624</u>	12.35%
Less: Accumulated Depreciation	<u>38,664,130</u>	<u>35,711,842</u>	<u>2,952,288</u>	8.27%
Total Net Capital Assets	<u>\$ 88,720,230</u>	<u>\$ 77,665,894</u>	<u>\$ 11,054,336</u>	14.23%
Intangible Lease Assets, Net	<u>\$ 2,549</u>	<u>\$ 190,284</u>	<u>\$ (187,735)</u>	-98.66%

Depreciation expense and amortization expense was \$2,952,288 and \$187,735, respectively, for fiscal year ended June 30, 2024. See Note 8 to the financial statements for additional detail.

B) Long-Term Debt:

At June 30, 2024, the District had total long-term debt in the amount of \$33,455,024, including bonds payable net of unamortized premium, lease liability, and energy performance contract debt payable. The decrease in long-term debt represents scheduled principal payments and amortization expense. More detailed information about the District's long-term debt is presented in Note 11 to the financial statements.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

A summary of outstanding debt at June 30, 2024 and 2023 is as follows:

	2024	2023	Decrease
Bonds payable (net of unamortized premium)	\$ 31,406,924	\$ 33,960,788	\$ (2,553,864)
Lease liability	2,608	194,747	(192,139)
Energy performance contract debt payable	2,045,492	2,509,796	(464,304)
Total	<u>\$ 33,455,024</u>	<u>\$ 36,665,331</u>	<u>\$ (3,210,307)</u>

7. FACTORS BEARING ON THE DISTRICT’S FUTURE

- A) The general fund budget for the 2024-25 school year in the amount of \$105,692,491 was approved by voters which is an increase of \$3,078,421, or 3.0%, over the 2023-2024 budget. The increase was primarily due to increases in instruction, employee benefits and debt service.
- B) Future budgets may be negatively affected by certain trends impacting school districts. These factors include the following:
 - 1. Rising costs in employee salaries and health benefits, as well as contributions to pension programs.
 - 2. Increased costs associated with meeting the requirements for instructional services.
 - 3. Uncertainty with state and federal aid, including new state mandates that may bring changes to state aid formulas that could negatively impact school districts.
 - 4. Rising inflation as well as interest rates, which can affect all areas of the budget.
 - 5. The property tax cap as discussed below.
- C) New York State law limits the increase in property taxes levied to the lesser of two percent, or the rate of inflation. The law does allow school districts to levy an additional amount for certain excludable expenditures. An override of the levy limit is also permitted. If the proposed tax levy is within the District’s tax levy cap, then the budget is presented and approved by voters. If the proposed tax levy exceeds the District’s tax levy cap, the threshold required for approval would be 60 percent of the vote.

8. CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

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

Eastchester Union Free School District
Ms. Louise Lynch
Assistant Superintendent for Finance & Facilities
580 White Plains Road
Eastchester, NY 10709

EASTCHESTER UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

Exhibit 2

ASSETS	
Current assets:	
Cash and cash equivalents:	
Unrestricted	\$ 30,671,417
Restricted	6,430,573
Receivables:	
Accounts receivable	14,177
State and federal aid	3,109,718
Due from other governments	729,663
Noncurrent assets:	
Nondepreciable capital assets	18,026,981
Depreciable capital assets, net of accumulated depreciation	70,693,249
Intangible lease assets, net of accumulated amortization	2,549
TOTAL ASSETS	<u>129,678,327</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding	193,896
Pensions	20,515,363
Other post-employment benefits obligation	20,434,399
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>41,143,658</u>
LIABILITIES	
Current liabilities:	
Accounts payable	4,163,779
Accrued liabilities	816,304
Due to other governments	675
Due to teachers' retirement system	4,896,232
Due to employees' retirement system	338,418
Compensated absences payable	647,183
Other liabilities	21,911
Notes payable:	
Bond anticipation note payable	29,500,000
Unearned credits:	
Collections in advance	210,204
Long-term liabilities:	
Due and payable within one year:	
Accrued interest payable	240,846
Bonds payable, net of unamortized premium	2,393,864
Lease liability	2,608
Energy performance contract debt payable	482,411
Compensated absences payable	474,459
Total other post-employment benefits obligation	2,711,249
Due and payable after one year:	
Bonds payable, net of unamortized premium	29,013,060
Energy performance contract debt payable	1,563,081
Compensated absences payable	6,250,469
Net pension liability-proportionate share-employees' retirement system	3,036,902
Net pension liability-proportionate share-teachers' retirement system	2,631,647
Total other post-employment benefits obligation	106,905,163
TOTAL LIABILITIES	<u>196,300,465</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	2,969,862
Other post-employment benefits obligation	30,189,654
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>33,159,516</u>
NET POSITION	
Net investment in capital assets	53,803,380
Restricted	7,309,597
Unrestricted (deficit)	(119,750,973)
TOTAL NET POSITION (DEFICIT)	<u>\$ (58,637,996)</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Exhibit 3

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
FUNCTIONS / PROGRAMS				
General support	\$ (16,663,685)	\$ -	\$ -	\$ (16,663,685)
Instruction	(86,327,704)	2,792,505	1,370,640	(82,164,559)
Pupil transportation	(5,260,738)	67,757		(5,192,981)
Food service program	(1,333,840)	1,220,985		(112,855)
Debt service - interest	(1,494,640)			(1,494,640)
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ (111,080,607)</u>	<u>\$ 4,081,247</u>	<u>\$ 1,370,640</u>	<u>\$ (105,628,720)</u>
GENERAL REVENUES				
Real property taxes				74,653,201
Other tax items				6,832,712
Use of money and property				2,305,112
Miscellaneous				841,271
State sources				16,507,534
TOTAL GENERAL REVENUES				<u>101,139,830</u>
CHANGE IN NET POSITION				(4,488,890)
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR				<u>(54,149,106)</u>
TOTAL NET POSITION (DEFICIT) - END OF YEAR				<u>\$ (58,637,996)</u>

EASTCHESTER UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

Exhibit 4

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
ASSETS							
Cash and cash equivalents:							
Unrestricted	\$ 14,028,374	\$ -	\$ 479,079	\$ 264,355	\$ 15,899,609	\$ -	\$ 30,671,417
Restricted	6,302,650			127,923			6,430,573
Receivables:							
Accounts receivable	14,177						14,177
State and federal aid	2,204,043	823,601			82,074		3,109,718
Due from other governments	723,591	6,072					729,663
Due from other funds	797,423			444,851	440,127	879,024	2,561,425
TOTAL ASSETS	<u>\$ 24,070,258</u>	<u>\$ 829,673</u>	<u>\$ 479,079</u>	<u>\$ 837,129</u>	<u>\$ 16,421,810</u>	<u>\$ 879,024</u>	<u>\$ 43,516,973</u>
LIABILITIES							
Accounts payable	\$ 1,995,922	\$ 24,134	\$ 369,994	\$ 5,458	\$ 1,768,271	\$ -	\$ 4,163,779
Accrued liabilities	813,974	2,330					816,304
Due to other governments			675				675
Due to other funds	1,067,890	797,423			696,112		2,561,425
Due to teachers' retirement system	4,896,232						4,896,232
Due to employees' retirement system	338,418						338,418
Compensated absences payable	647,183						647,183
Other liabilities	21,911						21,911
Notes payable:							
Bond anticipation note payable					29,500,000		29,500,000
Unearned credits:							
Collections in advance	143,006	5,786	61,412				210,204
TOTAL LIABILITIES	<u>9,924,536</u>	<u>829,673</u>	<u>432,081</u>	<u>5,458</u>	<u>31,964,383</u>	<u>-</u>	<u>43,156,131</u>
FUND BALANCES							
Restricted:							
Retirement contribution:							
Employees' retirement system	107,028						107,028
Teachers' retirement system	824,116						824,116
Property loss reserve	60,015						60,015
Liability reserve	24,624						24,624
Tax certiorari reserve	3,747,862						3,747,862
Employee benefit accrued liability reserve	1,383,526						1,383,526
Unemployment reserve	155,479						155,479
Debt service						879,024	879,024
Scholarships and donations				127,923			127,923
Assigned:							
Appropriated fund balance	2,325,000						2,325,000
Unappropriated fund balance	1,290,373		46,998	703,748			2,041,119
Unassigned:							
Unassigned fund balance (deficit)	4,227,699				(15,542,573)		(11,314,874)
TOTAL FUND BALANCES	<u>14,145,722</u>	<u>-</u>	<u>46,998</u>	<u>831,671</u>	<u>(15,542,573)</u>	<u>879,024</u>	<u>360,842</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24,070,258</u>	<u>\$ 829,673</u>	<u>\$ 479,079</u>	<u>\$ 837,129</u>	<u>\$ 16,421,810</u>	<u>\$ 879,024</u>	<u>\$ 43,516,973</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2024**

Exhibit 5

Total Governmental Fund Balances \$ 360,842

Amounts reported for governmental activities in the Statement of Net Position are different because:

The cost of building and acquiring capital assets (land, buildings, furniture and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$ 127,384,360	
Accumulated depreciation	<u>(38,664,130)</u>	88,720,230

The present value cost of leasing assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those intangible leased assets among the assets of the District as a whole, and their original present value costs are expensed annually over the shorter of their useful lives or the length of the lease agreements.

Original present value cost of intangible lease assets	\$ 596,932	
Accumulated amortization	<u>(594,383)</u>	2,549

Deferred outflows of resources - The Statement of Net Position recognizes expenses incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows that will be recognized as expenditures in future periods were as follows

Deferred outflows relating to deferred amounts on bond refunding	\$ 193,896	
Deferred outflows relating to pensions	20,515,363	
Deferred outflows relating to other post-employment benefits	<u>20,434,399</u>	41,143,658

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Accrued interest on bonds and energy performance contract debt	\$ (240,846)	
Bonds payable, net of unamortized premium	(31,406,924)	
Lease liability	(2,608)	
Energy performance contract debt payable	(2,045,492)	
Compensated absences payable	(6,724,928)	
Net pension liability-proportionate share-employees' retirement system	(3,036,902)	
Net pension liability-proportionate share-teachers' retirement system	(2,631,647)	
Total other post-employment benefits obligation	<u>(109,616,412)</u>	(155,705,759)

Deferred inflows of resources - The Statement of Net Position recognized revenues and expenses received under the full accrual method. Governmental funds recognize revenue and expenditures under the modified accrual method. Deferred inflows that will be recognized as a reduction in expenses in future periods were as follows

Deferred inflows relating to pensions	\$ (2,969,862)	
Deferred inflows relating to other post-employment benefits	<u>(30,189,654)</u>	(33,159,516)

Total Net Position \$ (58,637,996)

**EASTCHESTER UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

Exhibit 6

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
REVENUES							
Real property taxes	\$ 74,653,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,653,201
Other tax items	6,832,712						6,832,712
Charges for services	2,019,865			840,397			2,860,262
Use of money and property	2,299,528		5,584				2,305,112
Miscellaneous	556,891			45,075			601,966
State sources	16,507,534	406,283					16,913,817
Federal sources		919,282					919,282
Sales			1,220,985				1,220,985
TOTAL REVENUES	<u>102,869,731</u>	<u>1,325,565</u>	<u>1,226,569</u>	<u>885,472</u>	<u>-</u>	<u>-</u>	<u>106,307,337</u>
EXPENDITURES							
General support	12,555,094						12,555,094
Instruction	55,249,457	1,373,346		862,138			57,484,941
Pupil transportation	4,965,377	67,757					5,033,134
Employee benefits	24,186,492	70,977					24,257,469
Debt service - principal	2,889,304						2,889,304
Debt service - interest	1,596,046						1,596,046
Cost of sales			1,256,312				1,256,312
Capital outlay					13,335,616		13,335,616
TOTAL EXPENDITURES	<u>101,441,770</u>	<u>1,512,080</u>	<u>1,256,312</u>	<u>862,138</u>	<u>13,335,616</u>	<u>-</u>	<u>118,407,916</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	<u>1,427,961</u>	<u>(186,515)</u>	<u>(29,743)</u>	<u>23,334</u>	<u>(13,335,616)</u>	<u>-</u>	<u>(12,100,579)</u>
OTHER FINANCING SOURCES AND (USES)							
Premiums on obligations						284,380	284,380
Operating transfers in	59,133	187,109					246,242
Operating transfers (out)	(187,154)	(594)				(58,494)	(246,242)
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(128,021)</u>	<u>186,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,886</u>	<u>284,380</u>
NET CHANGE IN FUND BALANCES	1,299,940	-	(29,743)	23,334	(13,335,616)	225,886	(11,816,199)
FUND BALANCES - BEGINNING OF YEAR	12,845,782	-	76,741	808,337	(2,206,957)	653,138	12,177,041
FUND BALANCES - END OF YEAR	<u>\$ 14,145,722</u>	<u>\$ -</u>	<u>\$ 46,998</u>	<u>\$ 831,671</u>	<u>\$ (15,542,573)</u>	<u>\$ 879,024</u>	<u>\$ 360,842</u>

EASTCHESTER UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit 7

Net Change in Fund Balances \$ (11,816,199)

Amounts reported for governmental activities in the Statement of Activities are different because:

Long-Term Revenue and Expense Differences

In the Statement of Activities, certain operating expenses are measured by amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used.

Decrease in accrued interest payable	\$ 1,573	
Increase in compensated absences payable	(214,126)	
Decrease in premiums and deferred amounts on issued debt	<u>99,833</u>	(112,720)

Changes in the proportionate share of net pension asset/liability, total other post employment benefits obligation, and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Employees' retirement system	\$ (487,984)	
Teachers' retirement system	(3,253,594)	
Other post-employment benefits	<u>(2,766,437)</u>	(6,508,015)

Capital Related Differences

Capital outlays to purchase, build or lease assets are reported in the governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position. These assets are then depreciated or amortized over the useful life of the asset and are reported in the Statement of Activities:

Capital outlays	\$ 14,006,624	
Depreciation expense	(2,952,288)	
Lease amortization expense	<u>(187,735)</u>	10,866,601

Long-Term Debt Differences

Repayment of long-term liabilities is an expenditure in the governmental funds, but reduces long-term liabilities on the Statement of Net Position and does not affect the Statement of Activities.

Bonds payable	\$ 2,425,000	
Lease liability	192,139	
Energy performance contract debt payable	<u>464,304</u>	<u>3,081,443</u>

Change in Net Position \$ (4,488,890)

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

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

A) Reporting Entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education (the “Board”) consisting of nine (9) members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

B) Joint Venture:

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

BOCES is organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of the BOCES Board are nominated and elected by

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their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

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

C) Basis of Presentation:

District-Wide Financial Statements:

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

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

Fund Financial Statements:

The Fund Financial Statements provide information about the District's funds. The emphasis of Fund Financial Statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

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

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

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

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

Debt Service Fund: This fund accounts for the accumulation of resources from long-term general obligations of debt.

D) Measurement Focus and Basis of Accounting:

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 or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, lease liabilities, compensated absences, workers' compensation claims and judgements, net pension liabilities, and other post-employment benefits, which are recognized as expenditures to the extent they have matured. General capital and lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term liabilities with terms greater than one year are reported under other financing sources.

E) Real Property Taxes:

Calendar

Real property taxes are levied annually by the Board no later than September 1st and became a lien on August 2nd. Taxes were billed and collected by the Town of Eastchester (the "Town") in two installments. The first installment was due September 1, 2023 and the second installment was due January 1, 2024.

Enforcement

The Town assumes responsibility for uncollected taxes. The entire tax levy is guaranteed to the District by April 1st of the school year by the Town, and the Town retains any late payment penalties collected.

F) Restricted Resources:

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

G) Interfund Transactions:

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

In the District-Wide Financial Statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary fund). Eliminations have been made for all interfund receivables and payables between the funds, except for amounts due to/from the fiduciary fund.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance

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sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

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

H) Estimates:

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

I) Cash and Cash Equivalents:

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

J) Receivables:

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

K) Capital Assets:

Capital assets are reported at actual cost for acquisitions within the last 20 years. For assets acquired prior to 20 years ago, estimated historical costs, based on appraisals conducted by independent third-party professionals are used. Donated assets are reported at acquisition value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Financial Statements are as follows:

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	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Building and Building Improvements	\$ 5,000	Straight-line	50 years
Furniture and Equipment	\$ 5,000	Straight-line	5-20 years
Land Improvements	\$ 5,000	Straight-line	50 years
Vehicles	\$ 5,000	Straight-line	5-20 years

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2024, the District has not recorded any such impairment losses.

L) Intangible Lease Assets:

Intangible lease assets are reported at the present value of remaining future lease payments remaining on the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the District's estimated incremental borrowing rate. These intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Capitalization thresholds (the dollar value above which intangible lease asset acquisitions are added to the intangible lease asset accounts), amortization methods, and estimated useful lives of intangible lease assets reported in the District-Wide Financial Statements follow the same thresholds as noted above for capital assets.

M) Deferred Outflows and Inflows of Resources:

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

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

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N) Short-Term Debt:

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

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through, and including, 2021. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter. See Note 10 for further detail.

O) Collections in Advance:

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures or when charges for services monies are received in advance from payers prior to services being rendered by the District, such as prepaid lunch amounts and health insurance billings. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded.

Collections in advance at June 30, 2024, consisted of health insurance premiums collected in advance of \$143,006 in the general fund, collection in advance for state and federal grants in the amount of \$5,786 in the special aid fund, and prepaid student meals in the amount of \$61,412 in the school lunch fund.

P) Employee Benefits – Compensated Absences:

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

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

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

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

In the Fund Financial Statements only, the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis. The liability is reported only for payments due for unused compensated absences for those employees who have obligated themselves to separate from service with the District by June 30th.

Q) Other Benefits:

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Section 403(b) and 457.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the District-Wide Financial Statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

R) Long-Term Debt:

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The repayment of principal and interest will be in the general fund.

In the Fund Financial Statements, governmental funds recognize bond premiums during the current period, with the face amount of debt issued reported as other financing sources.

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Premiums received on long-term debt issuances are reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

In the District-Wide Financial Statements, premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

S) Equity Classifications:

District-Wide Financial Statements:

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

Net investment in capital assets - consists of net capital assets and intangible lease assets (cost less accumulated depreciation or present value of future lease payments remaining on the lease term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets (net of unspent proceeds), including the deferred inflows of resources, and deferred amounts on refunding.

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

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

Fund Financial Statements:

There are five classifications of fund balance as detailed below; however, the District only has three classifications of fund balance presented in the fund financial statements as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The District has no nonspendable fund balance in the governmental funds as of June 30, 2024.

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

The District has classified the following reserves as restricted:

Retirement Contribution Reserve - Retirement contribution reserve (GML§6-r) must be used for financing retirement contributions to the New York State and Local Employees’

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Retirement System. In addition, a subfund of this reserve may also be created to allow for the financing of retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. A board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During the fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. These reserves are accounted for in the general fund.

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

Tax Certiorari Reserve - According to Education Law §3651.1-a, the Tax certiorari reserve must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the general fund.

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

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

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claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund.

Restricted for Debt Service - Debt service accumulates funds from unused bond proceeds and interest earnings. The accumulated funds must be used to offset the cost of the bond principal and interest payments. This reserve is accounted for in the debt service fund.

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

Unrestricted Resources - When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Committed fund balance - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, (i.e., the Board). The District has no committed fund balances as of June 30, 2024.

Assigned fund balance - Includes amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Education. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes encumbrances not classified as restricted or committed at the end of the year.

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

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in the assigned fund balance are also excluded from the 4% limitation.

Deficit Fund Balance:

The capital projects fund has a deficit unassigned fund balance of \$15,542,573. The deficit in the capital projects fund is the result of the District not obtaining permanent financing on

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capital improvement projects. The deficit unassigned fund balance should be eliminated once permanent financing is obtained by the District.

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted or assigned fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

T) Future Accounting Pronouncements:

GASB issued Statement No. 101, *Compensated Absences*, which updated the recognition and measurement guidance for compensated absences by implementing a unified model and amended previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023.

The Statement above is not an all-inclusive list of all future GASB statements impacting the District. The District will evaluate the impact and materiality of the Statement above and implement the provisions as applicable.

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

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

A) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

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

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

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

Long-Term Revenue and Expense Differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences, workers’ compensation, and other post-employment benefits.

Capital Related Differences:

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

Long-Term Debt Transaction Differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in

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the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the fiscal year are shown on the other supplemental information – schedule of change from adopted budget to final budget.

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

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

B) Encumbrances:

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

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

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

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

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Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

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

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

B) Restricted Cash and Cash Equivalents:

Restricted cash and equivalents represent cash and cash equivalents where use is limited by the legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2024 included \$6,430,573 within the governmental funds for general reserves and amounts restricted for debt service and scholarships and donations purposes.

C) Investments:

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

D) Investment Pools:

The District participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of year-end are \$1,493,175,455 which consists of \$323,000,000 in repurchase agreements, \$647,644,672 in U.S. Treasury Securities, \$522,394,674 in collateralized bank products with various interest rates and due dates, and \$136,109 in cash.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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At June 30, 2024, the District held \$22,273,065 in the general fund as cash for investments that consisted of various investments in securities issued by the United States and its agencies.

The above amounts represent the cost of the investment pool shares and are considered to approximate market value. New York Liquid Asset Fund (NYLAF) is rated AAAM by Standard and Poor's Ratings Agency. Additional information concerning the cooperative is presented in the annual report of the NYLAF, which may be obtained from their website, www.nylaf.org.

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. At June 30, 2024, the District held \$12,890,763 in investments between the general and capital fund consisting of various investments in securities issued by the United States and its agencies.

Total investments of the cooperative at June 30, 2024, are \$11,722,084,338, which consisted of \$1,924,275,851 in repurchase agreements, and \$8,032,431,761 in U.S. Treasury Securities in U.S. Government Guaranteed Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2024 are \$1,765,376,726.

The above amounts represent the cost of the investment pool shares and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. CLASS is rated AAAM by S&P Global ratings. Additional information concerning the cooperative is presented in the annual report of the New York Cooperative Liquid Assets Securities System (NYCLASS), which may be obtained from their website www.newyorkclass.org or by contacting their registered investment advisor, Public Trust Advisors, LLC at 717 17th Street, Suite 1850, Denver, CO 80202.

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year ended June 30, 2024, the District was billed \$5,349,185 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,818,978. Financial statements for the BOCES of Southern Westchester are available from their administrative office at 17 Berkley Drive, Rye Brook, NY 10573.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivables at June 30, 2024 consisted of the following:

General Fund	
General aid	\$ 27,551
Excess cost aid	154,364
BOCES aid	1,451,761
Payroll tax reimbursement	570,367
Total General Fund	\$ 2,204,043
Special Aid Fund	
Federal grants	\$ 816,220
State grants	7,381
Total Special Aid Fund	\$ 823,601
Capital Projects Fund	
State grants	\$ 82,074
Total	\$ 3,109,718

District management has deemed these receivables as fully collectible.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments at June 30, 2024 consisted of the following:

General Fund	
Westchester county sales tax	\$ 520,000
Tuition and health service billings	203,591
Total General Fund	723,591
Special Aid Fund	
Tuition and health services	6,072
Total	\$ 729,663

District management has deemed these receivables as fully collectible.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

NOTE 8 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:

A) Capital Assets:

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Nondepreciable capital assets				
Land	\$ 365,200	\$ -	\$ -	\$ 365,200
Construction in progress	<u>7,176,116</u>	<u>13,335,614</u>	<u>(2,849,949)</u>	<u>17,661,781</u>
Total nondepreciable capital assets	<u>7,541,316</u>	<u>13,335,614</u>	<u>(2,849,949)</u>	<u>18,026,981</u>
Depreciable capital assets				
Buildings and building improvements	101,634,324	27,190	2,849,949	104,511,463
Furniture and equipment	2,474,608	112,539		2,587,147
Land improvement	1,339,893	431,724		1,771,617
Vehicles	<u>387,595</u>	<u>99,557</u>		<u>487,152</u>
Total depreciable capital assets	<u>105,836,420</u>	<u>671,010</u>	<u>2,849,949</u>	<u>109,357,379</u>
Accumulated depreciation				
Buildings and building improvements	32,519,850	2,703,705		35,223,555
Furniture and equipment	1,693,835	178,555		1,872,390
Land improvement	1,241,694	41,847		1,283,541
Vehicles	<u>256,463</u>	<u>28,181</u>		<u>284,644</u>
Total accumulated depreciation	<u>35,711,842</u>	<u>2,952,288</u>	<u>-</u>	<u>38,664,130</u>
Total depreciable capital assets, net	<u>70,124,578</u>	<u>(2,281,278)</u>	<u>2,849,949</u>	<u>70,693,249</u>
Total capital assets, net	<u>\$77,665,894</u>	<u>\$ 11,054,336</u>	<u>\$ -</u>	<u>\$88,720,230</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 2,311,227
Instruction	634,510
Food service program	<u>6,551</u>
Total	<u>\$ 2,952,288</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

B) Intangible Lease Assets:

The following schedule summarizes the District’s intangible lease asset activity for the fiscal year ended June 30, 2024:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Intangible lease assets				
Furniture and equipment	\$ 596,932	\$ -	\$ -	\$ 596,932
Total intangible lease assets	<u>596,932</u>	<u>-</u>	<u>-</u>	<u>596,932</u>
Less accumulated amortization:				
Furniture and equipment	406,648	187,735	-	594,383
Total accumulated amortization	<u>406,648</u>	<u>187,735</u>	<u>-</u>	<u>594,383</u>
Total intangible lease assets, net	<u>\$ 190,284</u>	<u>\$ (187,735)</u>	<u>\$ -</u>	<u>\$ 2,549</u>

Amortization expense of \$187,735 was charged to the governmental functions as instruction.

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 797,423	\$ 1,067,890	\$ 59,133	\$ 187,154
Special aid fund		797,423	187,109	594
Miscellaneous special revenue fund	444,851			
Capital projects fund	440,127	696,112		
Debt service fund	879,024			58,494
Total	<u>\$ 2,561,425</u>	<u>\$ 2,561,425</u>	<u>\$ 246,242</u>	<u>\$ 246,242</u>

The District typically transfers from the general fund to the special aid fund to fund the District’s share of costs for the summer program for students with disabilities required by New York State Law and to fund the State Supported Section 4201 schools. The District transferred monies from the special aid fund to the general fund for excess collections on prior year receivable amounts collected for summer programs for students with disabilities. The District transferred BAN premium received for the 2024 issuance from the debt service fund to the general fund.

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 - SHORT-TERM DEBT:

Transactions in short-term debt for the year are summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	1/26/2024	3.25%	\$ 15,639,961	\$ -	\$ (15,639,961)	\$ -
BAN	1/24/2025	4.25%	-	29,500,000	-	29,500,000
			<u>\$ 15,639,961</u>	<u>\$ 29,500,000</u>	<u>\$ (15,639,961)</u>	<u>\$ 29,500,000</u>

On January 25, 2024, the District issued and had outstanding at year-end, BANs totaling \$29,500,000. The BAN has a stated interest rate of 4.250% per annum and matures on January 24, 2025. The District received \$284,380 in premiums related to the issuance of debt. Interest on short-term debt for the year amounted to \$508,299. Short-term financing will be used to fund ongoing capital projects.

NOTE 11 – LONG-TERM LIABILITIES:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due within one year
Bonds payable					
Tax certiorari bonds	\$ 447,000	\$ -	\$ (337,000)	\$ 110,000	\$ 110,000
Construction bonds	32,328,000		(2,088,000)	30,240,000	2,155,000
Total bonds payable	32,775,000	-	(2,425,000)	30,350,000	2,265,000
Bond premium	1,185,788		(128,864)	1,056,924	128,864
Total bonds payable, net	33,960,788	-	(2,553,864)	31,406,924	2,393,864
Other liabilities					
Accrued interest payable	242,419	240,846	(242,419)	240,846	240,846
Lease liability	194,747		(192,139)	2,608	2,608
Energy performance contract debt payable	2,509,796		(464,304)	2,045,492	482,411
Compensated absences payable	6,510,802	1,996,260	(1,782,134)	6,724,928	474,459
Net pension liability - proportionate share - ERS	4,611,776		(1,574,874)	3,036,902	
Net pension liability - proportionate share - TRS	4,394,718		(1,763,071)	2,631,647	
Total other post-employment benefits obligation	108,966,262	8,319,497	(7,669,347)	109,616,412	271,1249
Total long-term liabilities	<u>\$ 161,391,308</u>	<u>\$ 10,556,603</u>	<u>\$ (16,242,152)</u>	<u>\$ 155,705,759</u>	<u>\$ 6,305,437</u>

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

A) Bonds Payable:

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Serial Bonds - Construction	2014	2029	2-3%	\$ 760,000
Serial Bonds - Tax Certiorari	2015	2025	2.125-3.25%	110,000
Series B - Refunded	2016	2028	1-4%	1,105,000
Serial Bonds - Construction	2018	2039	1.59%-3.5%	21,830,000
Serial Bonds - Refunded	2020	2032	4%	1,210,000
Serial Bonds - MS Refunded	2021	2034	1-4%	5,335,000
				<u>\$ 30,350,000</u>
<u>Summary by Description of Issue</u>				
Total Tax Certiorari				\$ 110,000
Total Construction				30,240,000
				<u>\$ 30,350,000</u>

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 2,265,000	\$ 952,775	\$ 3,217,775
2026	2,235,000	875,813	3,110,813
2027	2,305,000	783,285	3,088,285
2028	2,385,000	691,412	3,076,412
2029	2,165,000	615,687	2,780,687
2030-2034	10,660,000	2,159,906	12,819,906
2035-2039	8,335,000	714,966	9,049,966
	<u>\$ 30,350,000</u>	<u>\$ 6,793,844</u>	<u>\$ 37,143,844</u>

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

B) Lease Liability:

The District recognizes a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and right to determine the nature and manner of an underlying asset’s use for a period of one year or greater. The District’s lease agreements for various copiers and other equipment items have a stated interest rate ranging from 1.20% to 2.00%.

Principal and interest expense paid on the District’s lease liability amounted to \$192,139 and \$1,577, respectively, for the fiscal year ended June 30, 2024.

Principal and interest of \$2,608 and \$12, respectively, is due in the fiscal year ended June 30, 2025.

C) Energy Performance Contract Debt Payable:

Energy performance contract debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Energy performance contract debt payable	6/15/2012	6/15/2028	2.203%	<u>\$ 2,045,492</u>

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 482,411	\$ 45,062	\$ 527,473
2026	501,225	34,435	535,660
2027	520,773	23,393	544,166
2028	541,083	11,920	553,003
	<u>\$ 2,045,492</u>	<u>\$ 114,810</u>	<u>\$ 2,160,302</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

D) Long-Term Interest:

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

	Total
Interest paid	\$ 1,087,747
Less interest accrued in the prior year	(242,419)
Plus interest accrued in the current year	240,846
Less amortization of premiums, and deferred amounts on bond refundings	(99,833)
Total expense	\$ 986,341

NOTE 12 – DEFERRED OUTFLOWS OF RESOURCES – DEFERRED AMOUNTS ON REFUNDINGS:

The deferred amounts pertaining to the 2016 and 2021 bonds refunded, as recorded in the District-Wide Financial Statements as deferred outflows of resources at June 30, 2024 consisted of the following:

	2016 Refunding	2021 Refunding	Total
Deferred amounts	\$ 224,691	\$ 171,330	\$ 396,021
Accumulated amortization	(161,518)	(40,607)	(202,125)
Net deferred amounts on defeasance	\$ 63,173	\$ 130,723	\$ 193,896

Deferred amounts on refunding are amortized using the straight-line method over the remaining life of the bonds, the time to maturity of the refunding bonds, at the point of refunding, and is recorded as an increase to interest expense on the District-Wide Statement of Activities. Amortization for the fiscal year ended June 30, 2024 was \$29,031.

NOTE 13 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers’ Retirement System:

The District participates in the New York State Teachers’ Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants,

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guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany NY 12211-2395 or by referring to the TRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

ii) Employees' Retirement System:

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

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

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

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31. The District's contribution rates for ERS' fiscal year ended March 31, 2024, ranged from 9.50% to 14.90% of covered payroll.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2024, was 9.76% of covered payroll.

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

Year	NYSERS	NYSTRS
2024	\$ 892,168	\$ 4,259,599
2023	\$ 867,160	\$ 4,374,198
2022	\$ 881,646	\$ 3,976,569

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

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation with update procedures used to roll forward the total pension assets/(liability). The District's proportion of the net pension asset/(liability) was based on a

**EASTCHESTER UNION FREE SCHOOL DISTRICT
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projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2024	June 30, 2023
Net pension asset/(liability)	\$ (3,036,902)	\$ (2,631,647)
District's portion of the Plan's total net pension asset/(liability)	0.0206255%	0.230123%
Change in proportion since the prior measurement date	-0.0008806%	0.001099%

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$1,383,769 for ERS and \$7,521,843 for TRS. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 978,184	\$ 6,381,044	\$ 82,808	\$ 15,770
Net difference between projected and actual earnings on pension plan investments	-	1,345,246	1,483,510	-
Changes of assumptions	1,148,184	5,665,858	-	1,234,843
Changes in proportion and differences between the District's contributions and proportionate share of contributions	206,523	181,523	75,935	76,996
District's contributions subsequent to the measurement date	338,418	4,270,383		
	\$ 2,671,309	\$ 17,844,054	\$ 1,642,253	\$ 1,327,609

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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	<u>ERS</u>	<u>TRS</u>
Plan year ended:		
2024		\$ 1,125,971
2025	\$ (508,353)	(1,333,637)
2026	620,018	10,618,150
2027	905,635	819,515
2028	(326,662)	629,044
Thereafter		387,019
	\$ 690,638	\$ 12,246,062

Actuarial Assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset/(liability) to the measurement date.

The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Investment rate of return (net of pension plan investment expense, including inflation)	5.90%	6.95%
Salary increases	4.40%	1.95% - 5.18%
Cost of Living Adjustments	1.5% annually	1.3% annually
Decrements	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2019 - June 30, 2023 System's Experience
Inflation	2.90%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020, System’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.

For ERS, the actuarial assumptions used in the April 1, 2023, valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023.

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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 returns, net of investment expense 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 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 investment expense and inflation) for each major asset class, as well as historical investment data and plan performance.

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Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the valuation date are summarized below:

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2024		June 30, 2023	
<u>Asset type</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	32%	4.00%	33%	6.8%
International equity	15%	6.65%	15%	7.6%
Global equity			4%	7.2%
Private equity	10%	7.25%	9%	10.1%
Real estate	9%	4.60%	11%	6.3%
Opportunistic/ absolute return strategy	3%	5.25%		
Real assets	3%	5.79%		
Credit	4%	5.40%		
Cash	1%	0.25%		
Fixed income	23%	1.50%	16%	2.2%
Global bonds			2%	1.6%
High-yield bonds			1%	4.4%
Private debt			2%	6.0%
Real estate debt			6%	3.2%
Cash equivalents			1%	0.3%
	100%		100%	

The expected real rate of return is net of the long-term inflation assumptions of 2.90% for ERS, and 2.40% for TRS.

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.90% 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. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/ (liability).

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

Sensitivity of the Proportionate Share of the Pension Asset/(Liability) to the Discount Rate Assumption

The following presents the District’s proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District’s proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
<u>ERS</u>			
District’s proportionate share of the net pension asset/(liability)	\$ (9,548,329)	\$ (3,036,902)	\$ 2,401,491
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
<u>TRS</u>			
District’s proportionate share of the net pension asset/(liability)	\$ (40,081,320)	\$ (2,631,647)	\$ 28,865,147

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Employers' total pension asset/(liability)	\$ (240,696,851)	\$ (138,365,122)
Plan Fiduciary Net Position	225,972,801	137,221,537
Employers' net pension asset/(liability)	\$ (14,724,050)	\$ (1,143,585)
Ratio of plan fiduciary net position to the Employers' total pension liability	93.88%	99.17%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$338,418.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid deduction and remittance 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 employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to \$4,896,232.

NOTE 14 – PENSION PLANS – OTHER:

A) Tax Sheltered Annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the fiscal year ended June 30, 2024, totaled \$0 and \$2,587,960, respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the fiscal year ended June 30, 2024 totaled \$419,983.

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

A) General Information about the OPEB Plan:

Plan Description

The District's OPEB Plan (the "OPEB Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through a consortium called the Statewide Schools Cooperative Health Insurance Program (SWSCHP), which is made up of many school districts in the region. Benefits provided by SWSCHP are administered by Coordinated Health. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

Benefits Provided

The OPEB Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute between 50% and 100% of premiums for retirees, 0% to 100% of the premiums for surviving spouses and dependents, depending on the coverage selected and date of retirement. The District recognizes the cost of the Plan annually as expenditures in the Fund Financial Statements as payments are accrued. For measurement period ending June 30, 2024, the District contributed an estimated \$2,819,466 to the Plan, including \$2,819,466 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the “pay as you go” method.

Employees Covered by Benefit Terms

At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	317
Active employees	409
	726
	726

B) Total OPEB Liability:

The District’s total OPEB liability of \$106,905,163 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

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:

Inflation	2.40%
Discount rate	3.93%
Healthcare cost trend rates	5.30% decreasing to 4.10% over 55 years
Salary scale	2.40%
Retirees' share of benefit-related costs	0% to 50% of health insurance premiums for individuals, 0% to 65% of premiums for family coverage, and 100% of surviving spouse coverage

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the PubT- 2010 headcount-weighted mortality table for teaching positions and PubG-2010 headcount-weighted mortality table for non-teaching positions, both generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

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 study is not applicable.

C) Changes in Total OPEB Liability:

Balance at July 1, 2023	\$ 108,966,262
Changes for the fiscal year:	
Service cost	4,238,517
Interest	4,080,980
Changes in assumptions or other inputs	(4,849,881)
Benefit payments	(2,819,466)
Net changes	<u>650,150</u>
Balance at June 30, 2024	<u><u>\$ 109,616,412</u></u>

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs from June 30, 2023 to June 30, 2024 include the change in discount rate from 3.65% to 3.93% and healthcare cost trend rates remained the same.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1% <u>Decrease</u>	Discount <u>Rate</u>	1% <u>Increase</u>
Total OPEB liability	<u>\$ 128,436,341</u>	<u>\$ 109,616,412</u>	<u>\$ 94,526,090</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.30%) or 1-percentage-point higher (6.30%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 90,884,986	\$ 109,616,412	\$ 134,018,358

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$5,585,903. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,179,286
Changes of assumptions or other inputs	20,434,399	23,010,368
	\$ 20,434,399	\$ 30,189,654

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

Fiscal Year ended June 30:	
2024	\$ (2,733,594)
2025	(2,733,594)
2026	(1,457,829)
2027	(1,834,341)
2028	(1,474,601)
Thereafter	478,704
	\$ (9,755,255)

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

NOTE 16– ASSIGNED: APPROPRIATED FUND BALANCE:

The amount of \$2,325,000 has been appropriated to reduce taxes for the year ending June 30, 2025.

NOTE 17 – RISK MANAGEMENT:

A) General Information:

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

B) Pool, Risk Sharing:

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

The District participates in the Southern Westchester Cooperative Workers' Compensation Self- Insurance Plan (the Workers' Compensation Plan), a risk-sharing pool, to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to administer claims, finance liability and manage risks related to workers' compensation claims. The District pays an annual assessment determined by the Plan's Board of Trustees. In the event that the Plan has insufficient funds to meet its obligations, the Plan's Board of Trustees may issue supplemental assessments to the Plan's members. Plan members who withdraw or are terminated from the Plan's membership will assume responsibilities for all open and unpaid claims associated with them. As of June 30, 2024, the discounted Workers' Compensation Plan's total liability for unbilled and open claims was \$20,831,605 at a 2.0% discount rate. The Workers' Compensation Plan has assets of \$27,183,360 as of June 30, 2023, to pay these liabilities. The total assets as of June 30, 2024 were not available at the time of the report. The District's contribution to the Plan was \$358,217.

C) Health and Accident Insurance:

For some of the employee health and accident insurance coverage, the District is a participant in the Statewide Schools Cooperative Health Plan, a public entity risk pool operated for the benefit of 20 individual governmental units located within Westchester County. The District pays an annual premium to the Plan for this health and accident insurance coverage. The Statewide Schools Cooperative Health Plan is considered a self-sustaining risk pool that will provide coverage for its members up to \$100,000 per

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL ENDED YEAR JUNE 30, 2024**

employee. The Statewide Schools Cooperative Health Plan obtains independent coverage for insured events in excess of the \$100,000 limit and the District has essentially transferred all related risk to the Plan.

NOTE 18 - COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

All encumbrances are classified as assigned fund balance. At June 30, 2024, the District had encumbered the following amounts:

Assigned: Unappropriated Fund Balance

General fund for:

General support	\$ 515,843
Instruction	768,925
Employee benefits	<u>5,605</u>
Total general fund	<u>\$ 1,290,373</u>

B) Grants:

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

C) Litigation:

The District is involved in various litigation proceedings resulting from the normal conduct of its affairs. There are also pending tax certiorari proceedings, which may result in the District having to pay future tax refunds. The District has a reserve established to pay future payments for this.

NOTE 19 – SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through September 24, 2024 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

SUPPLEMENTARY INFORMATION

**EASTCHESTER UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUES				
Local Sources				
Real property taxes	\$ 74,653,201	\$ 74,653,201	\$ 74,653,201	\$ -
Other tax items	6,554,799	6,554,799	6,832,712	277,913
Charges for services	2,350,000	2,350,000	2,019,865	(330,135)
Use of money and property	1,049,585	1,049,585	2,299,528	1,249,943
Miscellaneous	315,000	369,527	556,891	187,364
State Sources				
Basic formula	14,144,840	14,144,840	10,525,527	(3,619,313)
Excess cost aid	235,222	235,222	1,029,095	793,873
Lottery aid	-	-	2,765,605	2,765,605
BOCES aid	1,455,648	1,455,648	1,818,978	363,330
Textbook aid	253,642	253,642	184,129	(69,513)
Computer software aid	27,133	27,133	48,626	21,493
Computer hardware aid	-	-	26,787	26,787
Library A/V loan program aid	-	-	20,287	20,287
Other state aid	-	-	88,500	88,500
TOTAL REVENUES	<u>101,039,070</u>	<u>101,093,597</u>	<u>102,869,731</u>	<u>1,776,134</u>
Other Financing Sources				
Transfers from other funds	-	-	59,133	59,133
TOTAL REVENUES AND FINANCING OTHER SOURCES	<u>101,039,070</u>	<u>101,093,597</u>	<u>\$ 102,928,864</u>	<u>\$ 1,835,267</u>
Appropriated fund balance	1,575,000	1,575,000		
Appropriated reserves	410,635	1,528,416		
TOTAL REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE	<u>\$ 103,024,705</u>	<u>\$ 104,197,013</u>		

Budget Basis of Accounting

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

EASTCHESTER UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year-End Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual and Encumbrances</u>
EXPENDITURES					
General Support					
Board of education	\$ 104,600	\$ 180,556	\$ 153,107	\$ 25,752	\$ 1,697
Central administration	384,529	376,078	374,131	344	1,603
Finance	779,263	753,042	709,145	24,600	19,297
Staff	804,315	948,218	929,822	-	18,396
Central services	8,902,129	9,639,005	9,097,428	464,119	77,458
Special items	1,184,290	1,292,491	1,291,461	1,028	2
Total General Support	<u>12,159,126</u>	<u>13,189,390</u>	<u>12,555,094</u>	<u>515,843</u>	<u>118,453</u>
Instruction					
Instruction, adm. & imp.	3,879,029	3,515,836	3,457,069	1,281	57,486
Teaching - regular school	28,815,701	28,949,680	28,877,491	42,758	29,431
Programs for children with handicapping conditions	14,186,728	13,769,031	13,644,547	-	124,484
Occupational education	826,512	957,366	957,366	-	-
Teaching special schools	28,750	36,139	36,139	-	-
Instructional media	3,112,684	3,174,759	2,416,696	708,925	49,138
Pupil services	5,806,296	5,940,713	5,860,149	15,961	64,603
Total Instruction	<u>56,655,700</u>	<u>56,343,524</u>	<u>55,249,457</u>	<u>768,925</u>	<u>325,142</u>
Pupil Transportation	4,552,847	4,985,695	4,965,377	-	20,318
Employee Benefits	23,271,681	25,005,899	24,186,492	5,605	813,802
Debt Service					
Debt service principal	2,889,304	2,889,304	2,889,304	-	-
Debt service interest	1,596,047	1,596,047	1,596,046	-	1
Total Debt Service	<u>4,485,351</u>	<u>4,485,351</u>	<u>4,485,350</u>	<u>-</u>	<u>1</u>
TOTAL EXPENDITURES	101,124,705	104,009,859	101,441,770	1,290,373	1,277,716
Other Financing Uses					
Transfers to other funds	1,900,000	187,154	187,154	-	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 103,024,705</u>	<u>\$ 104,197,013</u>	<u>101,628,924</u>	<u>\$ 1,290,373</u>	<u>\$ 1,277,716</u>
Net Change in Fund Balance			1,299,940		
Fund Balance - Beginning of Year			12,845,782		
Fund Balance - End of Year			<u>\$ 14,145,722</u>		

Budget Basis of Accounting

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

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

NYSERS Pension Plan										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0206255%	0.0215061%	0.0197216%	0.0197570%	0.0200689%	0.0202905%	0.0208380%	0.0220738%	0.0229870%	0.0244760%
District's proportionate share of the net pension asset/(liability)	\$ (3,036,902)	\$ (4,611,776)	\$ 1,612,162	\$ (19,673)	\$ (5,314,364)	\$ (1,437,643)	\$ (672,534)	\$ (2,074,106)	\$ (3,689,484)	\$ (826,859)
District's covered payroll	\$ 7,162,245	\$ 7,189,328	\$ 6,865,546	\$ 6,190,521	\$ 6,334,356	\$ 6,278,474	\$ 6,134,546	\$ 6,274,756	\$ 6,293,314	\$ 6,030,424
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	42.40%	64.15%	23.48%	0.32%	83.90%	22.90%	10.96%	33.05%	58.63%	13.71%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

NYTRS Pension Plan										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.230123%	0.229024%	0.230602%	0.233199%	0.234211%	0.233074%	0.235939%	0.234486%	0.235405%	0.238711%
District's proportionate share of the net pension asset/(liability)	\$ (2,631,647)	\$ (4,394,718)	\$ 39,961,035	\$ (6,443,913)	\$ 6,084,808	\$ 4,214,598	\$ 1,793,373	\$ (2,511,442)	\$ 24,451,030	\$ 26,590,945
District's covered payroll	\$ 43,238,945	\$ 41,291,592	\$ 39,776,253	\$ 39,581,222	\$ 39,549,229	\$ 38,541,122	\$ 37,957,062	\$ 36,225,114	\$ 35,927,909	\$ 35,937,951
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	6.09%	10.64%	100.46%	16.28%	15.39%	10.94%	4.72%	6.93%	68.06%	73.99%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

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

Teachers' Retirement System

The discounted rate remained at 6.95% as reflected in 2022, 2023, and 2024 above.

Employees' Retirement System

The discounted rate remained at 5.90% as reflected in 2022, 2023, and 2024 above.

This schedule is intended to show information for 10 years, additional years will be displayed as they become available.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30,**

NYSERS Pension Plan										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 892,168	\$ 867,160	\$ 881,646	\$ 945,711	\$ 869,093	\$ 902,507	\$ 932,086	\$ 954,390	\$ 1,044,730	\$ 1,196,417
Contributions in relation to the contractually required contribution	892,168	867,160	881,646	945,711	869,093	902,507	932,086	954,390	1,044,730	1,196,417
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 7,607,083	\$ 7,166,425	\$ 6,976,560	\$ 6,380,544	\$ 6,288,724	\$ 6,216,118	\$ 6,199,713	\$ 6,238,107	\$ 6,340,054	\$ 6,184,440
Contributions as a percentage of covered payroll	11.73%	12.10%	12.64%	14.82%	13.82%	14.52%	15.03%	15.30%	16.48%	19.35%

NYTRS Pension Plan										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 4,259,599	\$ 4,374,198	\$ 3,976,569	\$ 3,730,087	\$ 3,506,896	\$ 3,720,588	\$ 4,381,944	\$ 4,797,936	\$ 6,198,776	\$ 5,729,972
Contributions in relation to the contractually required contribution	4,259,599	4,374,198	3,976,569	3,730,087	3,506,896	3,720,588	4,381,944	4,797,936	6,198,776	5,729,972
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 44,639,470	\$ 43,238,945	\$ 41,291,592	\$ 39,776,253	\$ 39,581,222	\$ 39,549,229	\$ 38,541,122	\$ 37,957,062	\$ 36,225,114	\$ 35,927,909
Contributions as a percentage of covered payroll	9.54%	10.12%	9.63%	9.38%	8.86%	9.41%	11.37%	12.64%	17.11%	15.95%

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 4,238,517	\$ 3,607,130	\$ 5,184,877	\$ 4,617,642	\$ 3,312,864	\$ 4,056,641	\$ 4,787,858
Interest	4,080,980	3,445,816	2,547,763	2,416,669	3,063,753	3,261,616	3,117,249
Effect of plan changes	-	(2,289,286)	-	-	-	-	-
Changes of demographic gains or losses	-	(755,349)	-	(6,641,669)	-	(11,059,394)	(257,037)
Changes of assumptions or other inputs	(4,849,881)	12,538,477	(24,124,844)	10,265,601	16,641,069	(14,358,263)	0
Benefit payments	(2,819,466)	(2,603,032)	(2,690,423)	(2,560,039)	(2,446,359)	(2,241,242)	(1,970,002)
Net change in total OPEB liability	650,150	13,943,756	(19,082,627)	8,098,204	20,571,327	(20,340,642)	5,678,068
Total OPEB liability - beginning	108,966,262	95,022,506	114,105,133	106,006,929	85,435,602	105,776,244	100,098,176
Total OPEB liability - ending	\$ 109,616,412	\$ 108,966,262	\$ 95,022,506	\$ 114,105,133	\$ 106,006,929	\$ 85,435,602	\$ 105,776,244
Covered-employee payroll	\$ 40,373,683	\$ 40,373,683	\$ 41,967,029	\$ 41,967,029	\$ 40,943,349	\$ 40,943,349	\$ 43,195,472
Total OPEB liability as a percentage of covered-employee payroll	271.50%	269.89%	226.42%	271.89%	258.91%	208.67%	244.88%

Notes to Schedule:*Trust Assets*

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

Changes of Assumptions

The discount rate was 3.93% as of June 30, 2024.
The discount rate was 3.65% as of June 30, 2023.
The discount rate was 3.54% as of June 30, 2022.
The discount rate was 2.16% as of June 30, 2021.
The discount rate was 2.21% as of June 30, 2020.
The discount rate was 3.5% as of June 30, 2019.
The discount rate was 3.0% as of June 30, 2018.

For 2023, healthcare cost trend rates were updated from 5.3% scaling down to 4.1% over 55 years, to 5.8% scaling down to 3.8% over 55 years. Mortality rate tables were updated to reflect the PubT-2010 Mortality Table with generational projection of future improvements per the MP-2019 Ultimate Scale from the MP-2021.

The amounts presented for the fiscal year were determined as of the measurement date of the plan.

This schedule is intended to show information for 10 years; additional years will be displayed as they become available.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET-GENERAL FUND
AND SECTION 1318 OF THE REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$ 102,614,070
	Add: Prior year's encumbrances	410,635
Original Budget		103,024,705
	Budget revisions:	
	Appropriated use of tax certiorari reserve	\$ 96,342
	Appropriated use of employee benefit accrued liability reserve	1,021,439
	Donations	54,527
		1,172,308
Final Budget		\$ 104,197,013

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 voter-approved expenditure budget		\$ 105,692,491
Maximum allowed (4% of 2024-2025 budget)		\$ 4,227,700
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
	Assigned fund balance	\$3,615,373
	Unassigned fund balance	4,227,699
	Total unrestricted fund balance	7,843,072
Less:		
	Appropriated fund balance	\$2,325,000
	Encumbrances included in assigned fund balance	1,290,373
	Total adjustments	3,615,373
	General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$ 4,227,699
Actual percentage		4.00%

**EASTCHESTER UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing		Fund Balance June 30, 2024
			Prior Year's	Current Year	Total		Local Sources	Total	
EMS Roof and Gymnasium Renovation	\$ 2,400,000	\$ 2,869,159	\$ 2,787,605	\$ 62,343	\$ 2,849,948	\$ 19,211	\$ 2,869,159	\$ 2,869,159	\$ 19,211
DW Infrastructure and Security Bond	2,239,288	2,245,376	291,073	1,223,579	1,514,652	730,724	-	-	(1,514,652) *
Infrastructure and Security Bond- WV	1,901,283	1,900,690	458,774	1,481,477	1,940,251	(39,561)	-	-	(1,940,251) *
Infrastructure and Security Bond- MS/HS	1,621,852	1,621,852	1,314,456	153,330	1,467,786	154,066	1,246,219	1,246,219	(221,567) *
Infrastructure and Security Bond- MS/HS	6,098,188	7,125,828	1,246,314	4,982,127	6,228,441	897,387	853,782	853,782	(5,374,659) *
Infrastructure and Security Bond- GV	3,844,815	2,746,217	398,793	1,602,970	2,001,763	744,454	-	-	(2,001,763) *
Infrastructure and Security Bond- MS/HS	25,168,250	23,533,794	679,102	3,013,499	3,692,601	19,841,193	-	-	(3,692,601) *
Infrastructure and Security Bond- AH	872,952	872,952	-	315,125	315,125	557,827	-	-	(315,125) *
Infrastructure and Security Bond- AH	11,740,718	11,740,718	-	450,129	450,129	11,290,589	-	-	(450,129) *
Infrastructure and Security Bond- MS/HS	1,463,397	1,463,397	-	51,037	51,037	1,412,360	-	-	(51,037) *
TOTAL	<u>\$ 57,350,743</u>	<u>\$ 56,119,983</u>	<u>\$ 7,176,117</u>	<u>\$ 13,335,616</u>	<u>\$ 20,511,733</u>	<u>\$ 35,608,250</u>	<u>\$ 4,969,160</u>	<u>\$ 4,969,160</u>	<u>\$ (15,542,573)</u>

* The deficit will be eliminated once the District receives permanent financing from debt obligations.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF NET INVESTMENTS IN CAPITAL ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Capital assets, net		\$ 88,720,230
Intangible lease assets, net		2,549
Add:		
Deferred amounts on refunding		193,896
Deduct:		
Accounts payable	\$1,768,271	
Short-term portion of bonds payable, net	2,393,864	
Long-term portion of bonds payable, net	29,013,060	
Short-term portion of lease liability	2,608	
Short-term portion of energy performance contract debt payable	482,411	
Long-term portion of energy performance contract debt payable	1,563,081	
Less: tax certiorari bonds payable	(110,000)	(35,113,295)
Net investment in capital assets		<u>\$ 53,803,380</u>

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

To the Board of Education
Eastchester Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Eastchester Union Free School District (the "District"), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 24, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
September 24, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Education
Eastchester Union Free School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Eastchester Union Free School District's (the "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 District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's 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 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 generally accepted auditing standards, *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. Noncompliance 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 District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 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 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 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 Auditor's 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.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
September 24, 2024

**EASTCHESTER UNION FREE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number (ALN)	Agency or Pass-through Number	Program Expenditures	Total Expenditures by ALN
<u>U.S. Department of Education</u>				
<u>Passed-through NYS Education Department:</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-24-1047	\$ 724,224	
COVID-19 Special Education - Grants to States (IDEA, Part B)	84.027X	5532-22-1047	<u>917</u>	\$ 725,141
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-24-1047	\$ 25,945	
COVID-19 Special Education - Preschool Grants (IDEA Preschool)	84.173X	5533-22-1047	<u>4,681</u>	30,626
Total Special Education Cluster			<u>\$ 755,767</u>	
Title I Grants to Local Educational Agencies (LEAs)	84.010	0021-24-3620	<u>\$ 95,495</u>	95,495
Supporting Effective Instruction State Grants	84.367	0147-23-3620	\$ 26,016	
Supporting Effective Instruction State Grants	84.367	0147-24-3620	<u>2,656</u>	28,672
English Language Acquisition State Grants	84.365	0293-24-3620	<u>\$ 28,293</u>	28,293
Student Support and Academic Enrichment Program	84.424	0204-24-3620	<u>\$ 11,055</u>	<u>11,055</u>
Total U.S. Department of Education				<u>\$ 919,282</u>
Total Federal Awards Expende				<u>\$ 919,282</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Eastchester Union Free School District (the “District”) under programs of the federal government for the fiscal year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the 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 District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. Pass-through entity identifying numbers are presented where available.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Matching costs (the District’s share of certain program costs) are not included in the reported expenditures.

3. INDIRECT COST RATE

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

4. SUBRECIPIENTS

No amounts were provided to subrecipients.

5. OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value and is covered by the District’s casualty insurance policies. There were no loans or loan guarantees outstanding at year end.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PART II FINANCIAL STATEMENT FINDINGS

There are no financial statements findings to be reported.

PART III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings and questioned costs to be reported.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

There were no prior year findings or questioned costs.

**EASTCHESTER UNION FREE SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

A corrective action plan for the fiscal year ended June 30, 2024 is not required.