

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2025**

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
TABLE OF CONTENTS**

	<u>Page</u>
<b>INDEPENDENT AUDITOR’S REPORT, MANAGEMENT’S DISCUSSION AND ANALYSIS, AND BASIC FINANCIAL STATEMENTS</b>	
Independent Auditor’s Report	
Management’s Discussion and Analysis (Required Supplementary Information) (MD&A)	1 - 15
Statement of Net Position	16
Statement of Activities	17
Balance Sheet – Governmental Funds	18
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	21
Notes to Financial Statements	22 - 58
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	59 - 60
Schedule of District’s Proportionate Share of the Net Pension Asset/(Liability)	61
Schedule of District’s Pension Contributions	62
Schedule of Changes in the District’s Total Other Post-Employment Benefits Liability and Related Ratios	63
 <b>OTHER SUPPLEMENTARY INFORMATION</b>	
Schedule of Change from Adopted Budget to Final Budget – General Fund and Section 1318 of Real Property Tax Law Limit Calculation	64
Schedule of Project Expenditures - Capital Projects Fund	65
Schedule of Net Investment in Capital Assets	66
 <b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	

---

## 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 fiscal year ended June 30, 2025, 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, 2025, and the respective changes in financial position for the fiscal 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.

#### ***Emphasis of Matter***

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, during the fiscal year ended June 30, 2025. Our opinion is not modified with respect to this matter.

#### ***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, budgetary comparison information, schedule of District's proportionate share of the net pension asset/(liability), schedule of District's pension

contributions, and schedule of changes in the District's total other post-employment benefits liability and related ratios on pages 1 through 15 and 59 through 63, 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 is presented for purposes of additional analysis and is 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 other supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025 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 the District's internal control over financial reporting and compliance.

*R.S. Abrams & Co., LLP*

R.S. Abrams & Co., LLP  
Islandia, New York  
October 14, 2025

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2025. 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 fiscal year are discussed in comparison with the prior fiscal year, with an emphasis placed on the current fiscal 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 decreased by \$738,464 to \$58,244,459 due to revenues exceeding expenses on the accrual basis of accounting.
- Fund balance in the general fund decreased by \$922,203, or 6.52%, due to an excess of expenditures and other financing uses over revenues and other financing sources based on the modified accrual basis of accounting.
- The District ended the current fiscal year with a general fund unassigned fund balance of \$3,069,242, which represents 2.77% of the 2025-2026 voter approved budget (4.00% being the maximum allowable under New York State Real Property Tax Law §1318).
- The District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* (GASB Statement No. 101), effective July 1, 2024. See the accompanying notes to financial statements for additional information regarding the effects of the change in accounting principle.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

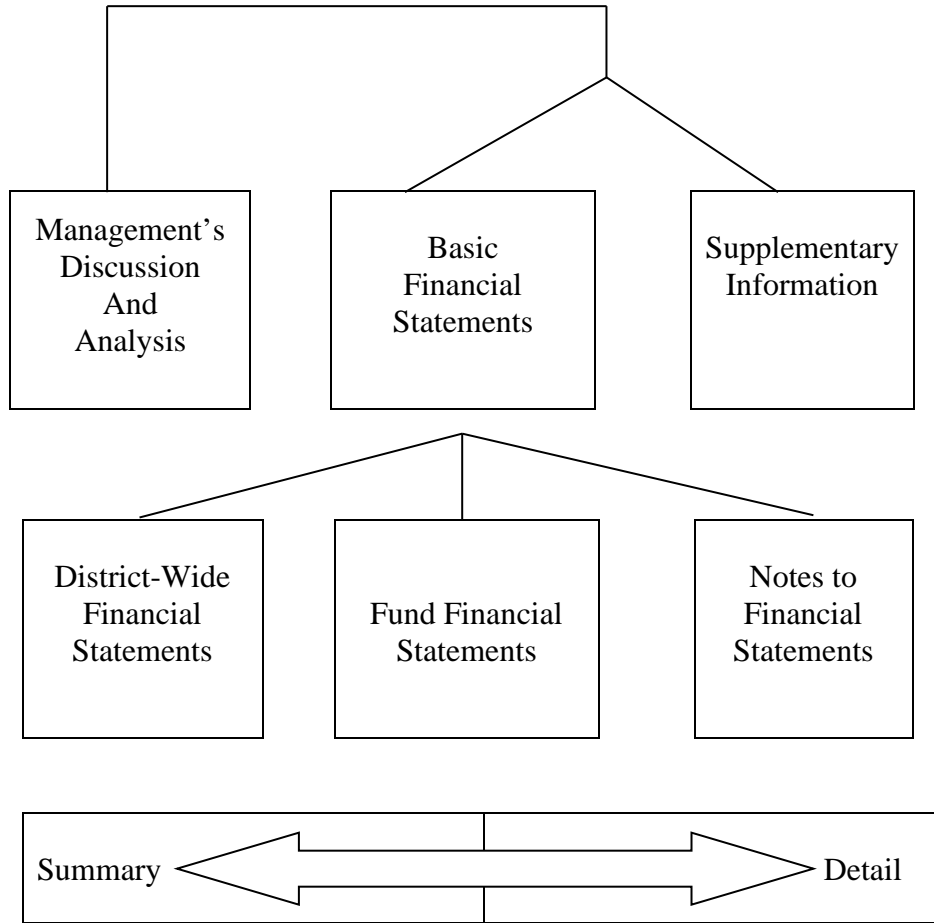
This annual report consists of four parts: management’s discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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 *Fund Financial 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.

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 fiscal year. The following Table shows how the various parts of this annual report are arranged and related to one another.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2025**

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"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>
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 fiscal 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 fiscal year; regardless of when cash is received or paid	Revenues for which cash is received during the fiscal 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 fiscal 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, 2025**

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 and amortization 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 the District-Wide Financial Statements 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* represents net position 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* is net position that does 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 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 Fund Financial Statements focus primarily on the sources, uses, and balances of current financial resources and often have 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, 2025**

**3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**A) Net Position:**

See the Table below for a comparison of the Statement of Net Position as of June 30, 2025 and 2024. The balances presented as of June 30, 2025 include the effects of the implementation of GASB Statement No. 101. The balances presented as of June 30, 2024 reflect the balances as previously reported and do not reflect the effects of the change in accounting principle.

Condensed Statement of Net Position – Governmental Activities

	2025	2024	Change	Total Percentage Change
Current assets	\$ 46,328,348	\$ 40,955,548	\$ 5,372,800	13.12%
Noncurrent assets	108,402,438	88,722,779	19,679,659	22.18%
Total Assets	154,730,786	129,678,327	25,052,459	19.32%
Deferred outflows of resources	33,383,362	41,143,658	(7,760,296)	(18.86%)
Total Assets and Deferred Outflows	188,114,148	170,821,985	17,292,163	10.12%
Current liabilities	61,393,787	40,594,706	20,799,081	51.24%
Long-term liabilities	133,673,315	155,705,759	(22,032,444)	(14.15%)
Total Liabilities	195,067,102	196,300,465	(1,233,363)	(0.63%)
Deferred inflows of resources	51,291,505	33,159,516	18,131,989	54.68%
Total Liabilities and Deferred Inflow	246,358,607	229,459,981	16,898,626	7.36%
Net Position (Deficit)				
Net investment in capital assets	18,704,408	24,303,380	(5,598,972)	(23.04%)
Restricted	14,719,970	7,309,597	7,410,373	101.38%
Unrestricted (deficit)	(91,668,837)	(90,250,973)	(1,417,864)	1.57%
Total Net Position (Deficit)	<u>\$ (58,244,459)</u>	<u>\$ (58,637,996)</u>	<u>\$ 393,537</u>	(0.67%)
Net position (deficit), beginning of year, as previously reported		\$ (58,637,996)		
Change in accounting principle		<u>(344,927)</u>		
Net position (deficit), beginning of year, as restated		<u>\$ (58,982,923)</u>		

\*Certain net position amounts as of June 30, 2024 have been reclassified to conform to the June 30, 2025 presentation. These reclassifications had no effect on total net position or change in net position.

Current assets increased by \$5,372,800, or 13.12%, primarily due to increases in cash and cash equivalents and due from other governments, partially offset by a decrease in state and federal aid receivable.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Noncurrent assets (net of accumulated depreciation and amortization) increased by \$19,679,659, or 22.18%, primarily due to the increases in capital assets, intangible lease assets, and changes in the actuarial valuation for the Teachers’ Retirement System pension plan. Refer to the accompanying notes to financial statements for further discussion.

The change in deferred outflows of resources represents amortization of pension-related items and the amortization of deferred outflows for other post-employment benefits obligation, as discussed in the accompanying notes to financial statements.

Current liabilities increased by \$20,799,081, or 51.24%, primarily due to increases in bond anticipation note payable, accrued interest payable, and due to teachers’ retirement system, partially offset by a decrease in accounts payable.

Long-term liabilities decreased by \$22,032,444, or 14.15%, primarily attributable to scheduled repayments of debt principal and reductions in the total other post-employment benefit obligation and net pension liability – proportionate share – teachers’ retirement system due to actuarial valuations. Of note, the compensated absences payable balance included within the long-term liabilities balance as of June 30, 2025, includes the effects of the change in accounting principle in connection with the implementation of GASB Statement No. 101.

The change in deferred inflows of resources represents amortization of pension related items and the amortization of deferred inflows related to other post-employment benefits obligation, as discussed in the accompanying notes to financial statements.

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) such as land, land improvements, construction in progress, buildings and building improvements, furniture and equipment, land improvement, and vehicles, net of accumulated depreciation and amortization, related debt, and capital-related accounts payable. The amount decreased by \$5,598,972, or 23.04%.

The restricted net position at June 30, 2025 increased due to an increase in the District’s reserves and restricted balances during the fiscal year, as detailed in the following pages, as well as the results of the actuarial valuation for the Teachers’ Retirement System pension plan, which is reported as a net pension asset as of June 30, 2025.

The unrestricted deficit at June 30, 2025 of \$91,668,837 relates to the balance of the District’s net position. The unrestricted deficit increased by \$1,417,864, or 1.57%. Of note, the unrestricted deficit balance as of June 30, 2025 includes the effects of the change in accounting principle in connection with the implementation of GASB Statement No. 101.

**B) Changes in Net Position:**

The results of operations as a whole are reported in the Statement of Activities. The activity for fiscal year 2025 reflects the effects of the implementation of GASB Statement No. 101 as detailed in the accompanying notes to financial statements. A summary of the results of operations for the fiscal years ended June 30, 2025, and 2024 is as follows:

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Change in Net Position from Operating Results – Governmental Activities

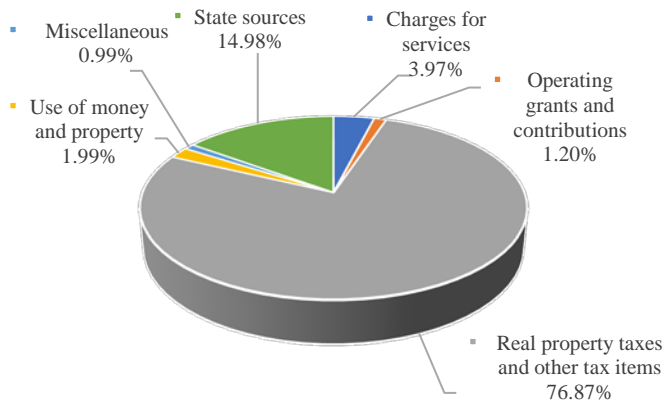
	Fiscal Year 2025	Fiscal Year 2024	Increase (Decrease)	Percentage Change
<b>Program Revenues</b>				
Charges for services	\$ 4,325,206	\$ 4,081,247	\$ 243,959	5.98%
Operating grants and contributions	1,311,990	1,370,640	(58,650)	(4.28%)
<b>General Revenues</b>				
Real property taxes and other tax items	83,829,125	81,485,913	2,343,212	2.88%
Use of money and property	2,166,691	2,305,112	(138,421)	(6.00%)
Other	1,084,259	841,271	242,988	28.88%
State sources	16,334,501	16,507,534	(173,033)	(1.05%)
<b>Total Revenues</b>	<u>109,051,772</u>	<u>106,591,717</u>	<u>2,460,055</u>	<u>2.31%</u>
<b>Expenses</b>				
General support	16,392,998	16,663,685	(270,687)	(1.62%)
Instruction	82,049,173	86,327,704	(4,278,531)	(4.96%)
Pupil transportation	5,412,561	5,260,738	151,823	2.89%
Debt service - interest	3,272,773	1,494,640	1,778,133	118.97%
Food service program	1,185,803	1,333,840	(148,037)	(11.10%)
<b>Total Expenses</b>	<u>108,313,308</u>	<u>111,080,607</u>	<u>(2,767,299)</u>	<u>(2.49%)</u>
<b>Total Change in Net Position</b>	<u>\$ 738,464</u>	<u>\$ (4,488,890)</u>	<u>\$ 5,227,354</u>	<u>(116.45%)</u>

Real property taxes and other tax items and state sources accounted for 76.87% and 14.98%, respectively, of the District’s total revenue. The remainder came from charges for services, operating grants and contributions, use of money and property, and other miscellaneous sources. Total revenues increased by \$2,460,055, or 2.31%, due to an increase in real property taxes and other tax items in accordance with the tax levy increase per the voter approved budget and an increase in charges for services due to an increase in meals served to students.

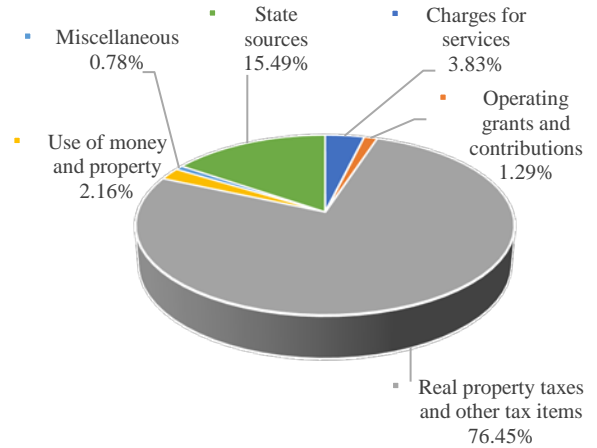
Instruction and general support accounted for 75.90% and 15.04%, respectively, of the District’s expenses. Total expenses decreased by \$2,767,299, or 2.49%, primarily attributable to a decrease in instruction expenses. Changes in expenses include the effects of the actuarial valuations for the pension systems and total other post-employment benefits.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

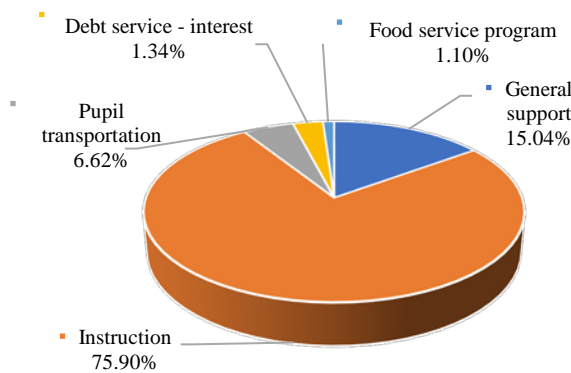
Revenues for Fiscal Year 2025



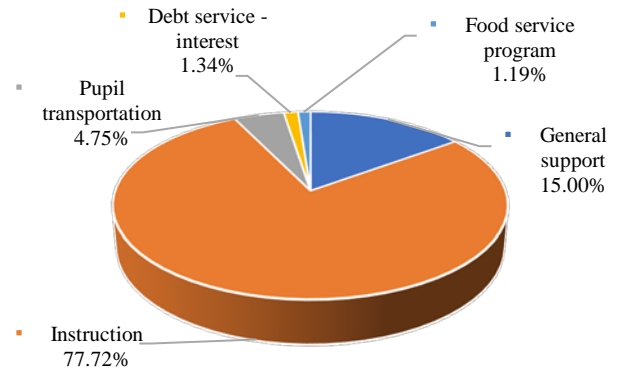
Revenues for Fiscal Year 2024



Expenses for Fiscal Year 2025



Expenses for Fiscal Year 2024



**4. FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS**

Variances between fiscal years for the Fund Financial Statements are not the same as variances between fiscal 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, 2025, the District’s combined governmental funds reported a total fund balance deficit of \$13,931,067. 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, 2025**

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

	2025	2024	Increase/ (Decrease)	Total Percentage Change
<b>General Fund</b>				
Restricted:				
Employees' retirement system	\$ -	\$ 107,028	\$ (107,028)	(100.00%)
Teachers' retirement system	865,321	824,116	41,205	5.00%
Property loss	63,016	60,015	3,001	5.00%
Liability	25,855	24,624	1,231	5.00%
Tax certiorari	3,905,669	3,747,862	157,807	4.21%
Employee benefit accrued liability	988,448	1,383,526	(395,078)	(28.56%)
Unemployment insurance	155,479	155,479	-	0.00%
Assigned:				
Appropriated for subsequent year's expenditures	3,003,936	2,325,000	678,936	29.20%
Encumbrances	1,146,553	1,290,373	(143,820)	(11.15%)
Unassigned	3,069,242	4,227,699	(1,158,457)	(27.40%)
Total Fund Balance - General Fund	<u>\$ 13,223,519</u>	<u>\$ 14,145,722</u>	<u>\$ (922,203)</u>	(6.52%)
<b>School Lunch Fund</b>				
Assigned - unappropriated	<u>\$ 295,369</u>	<u>\$ 46,998</u>	<u>\$ 248,371</u>	528.47%
<b>Miscellaneous Special Revenue Fund</b>				
Restricted for scholarships and donations*	\$ 568,108	\$ 567,316	\$ 792	0.14%
Assigned - unappropriated*	<u>268,744</u>	<u>264,355</u>	<u>4,389</u>	1.66%
Total Fund Balance - Miscellaneous Special Revenue Fund	<u>\$ 836,852</u>	<u>\$ 831,671</u>	<u>\$ 5,181</u>	0.62%
<b>Capital Projects Fund</b>				
Unassigned deficit	<u>\$(29,597,773)</u>	<u>\$(15,542,573)</u>	<u>\$ (14,055,200)</u>	90.43%
<b>Debt Service Fund</b>				
Restricted for debt service	<u>\$ 1,310,966</u>	<u>\$ 879,024</u>	<u>\$ 431,942</u>	49.14%
Total Fund Balance - All Funds	<u>\$(13,931,067)</u>	<u>\$ 360,842</u>	<u>\$ (14,291,909)</u>	(3960.71%)

\*Certain fund balance amounts as of June 30, 2024 have been reclassified to conform to the June 30, 2025 presentation. These reclassifications had no effect on total fund balance or change in fund balance.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**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, 2025 and 2024, is as follows:

	Fiscal Year 2025	Fiscal Year 2024	Increase/ (Decrease)	Total Percentage Change
<b>Revenues</b>				
Real property taxes	\$ 77,372,556	\$ 74,653,201	\$ 2,719,355	3.64%
Other tax items	6,456,569	6,832,712	(376,143)	(5.51%)
Charges for services	2,063,172	2,019,865	43,307	2.14%
Use of money and property	2,162,909	2,299,528	(136,619)	(5.94%)
Miscellaneous	591,420	556,891	34,529	6.20%
State sources	16,334,501	16,507,534	(173,033)	(1.05%)
<b>Total Revenues</b>	<b>104,981,127</b>	<b>102,869,731</b>	<b>2,111,396</b>	<b>2.05%</b>
<b>Other Financing Sources</b>				
Operating transfers in	80,107	59,133	20,974	35.47%
<b>Total Other Financing Sources</b>	<b>80,107</b>	<b>59,133</b>	<b>20,974</b>	<b>35.47%</b>
<b>Expenditures</b>				
General support	12,224,591	12,555,094	(330,503)	(2.63%)
Instruction	58,117,068	55,249,457	2,867,611	5.19%
Pupil transportation	5,087,990	4,965,377	122,613	2.47%
Employee benefits	24,823,510	24,186,492	637,018	2.63%
Debt service - principal	3,299,535	2,889,304	410,231	14.20%
Debt service - interest	2,314,215	1,596,046	718,169	45.00%
<b>Total Expenditures</b>	<b>105,866,909</b>	<b>101,441,770</b>	<b>4,425,139</b>	<b>4.36%</b>
<b>Other Financing Uses</b>				
Operating transfers out	116,528	187,154	(70,626)	(37.74%)
<b>Total Other Financing Uses</b>	<b>116,528</b>	<b>187,154</b>	<b>(70,626)</b>	<b>(37.74%)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (922,203)</b>	<b>\$ 1,299,940</b>	<b>\$ (2,222,143)</b>	<b>(170.94%)</b>

Revenues and other financing sources increased when compared to the prior fiscal year primarily due to the increase in real property taxes due to an increase in the tax levy in accordance with the 2024-2025 voter approved budget.

Expenditures and other financing uses increased when compared to the prior fiscal year, primarily due to the following:

- Instruction increased due to salary increases and pupil service expenditures.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

- Employee benefits increased due to higher premium costs for medical insurance and required employer pension contributions.
- Debt service - interest increased as a result of increased bond anticipation note interest payments during the fiscal year.

The following is a summary of the general fund’s restricted fund balance activity for the fiscal year ended June 30, 2025:

	Beginning Balance	Funding	Interest	Use	Ending Balance
Employees' retirement system	\$ 107,028	\$ -	\$ -	\$ (107,028)	\$ -
Teachers' retirement system	824,116		41,205		865,321
Property loss	60,015		3,001		63,016
Liability	24,624		1,231		25,855
Tax certiorari	3,747,862		186,709	(28,902)	3,905,669
Employee benefit accrued liability	1,383,526		69,176	(464,254)	988,448
Unemployment insurance	155,479				155,479
Total Restricted Fund Balance	\$ 6,302,650	\$ -	\$ 301,322	\$ (600,184)	\$ 6,003,788

**B) Special Aid Fund**

The fund balance in the special aid fund remained at \$0, as revenues and expenditures are recognized in equal amounts each year. Expenditures consist primarily of reimbursable grant programs, as well as a transfer from the general fund for the District’s share of costs for the summer program for students with disabilities. Revenues and expenditures in the special aid fund decreased due to the end of the period of performance for COVID-19 federal grants related to special education.

**C) School Lunch Fund**

The net change in fund balance in the school lunch fund is an increase of \$248,371, due to current year revenues, including meals sales, exceeding food service costs.

**D) Miscellaneous Special Revenue Fund**

The net change in fund balance in the miscellaneous special revenue fund is an increase of \$5,181, due to revenues exceeding expenditures for extraclassroom activity funds and scholarships and donations.

**E) Capital Projects Fund**

The net change in fund balance in the capital projects fund is a decrease of \$14,055,200. This decrease is primarily due to capital outlay and transfers to the general fund exceeding bond anticipation note amounts redeemed from appropriations and proceeds from leases.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**F) Debt Service Fund**

The net change in fund balance in the debt service fund is an increase of \$431,942, as a result of premiums received from a BAN issuance, partially offset by a transfer of \$60,897 to the general fund to subsidize debt service payments.

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A) 2024-2025 Budget:**

The District’s voter approved budget for the fiscal year ended June 30, 2025 was \$105,692,491. This amount was increased by prior year’s encumbrances carried forward of \$1,290,373, appropriation of retirement contribution reserve – employees’ retirement system of \$107,028, appropriation of tax certiorari reserve of \$28,902, appropriation of employee benefit accrued liability reserve of \$464,254, and donations of \$49,123, resulting in a final budget of \$107,632,171. The majority of the funding related to real property taxes and other tax items totaling \$83,555,399.

**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 fiscal years’ excess revenues over expenditures, net of transfers to reserves and assignments to fund subsequent fiscal 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 fiscal year compared to budget is as follows:

Opening, unassigned fund balance	\$ 4,227,699
Revenues and other financing sources over budget	1,644,620
Expenditures, other financing uses, and encumbrances under budget	502,181
Interest allocated to reserves	(301,322)
Assigned – appropriated for June 30, 2026 budget	<u>(3,003,936)</u>
Closing, unassigned fund balance	<u><u>3,069,242</u></u>

The opening unassigned fund balance of \$4,227,699, is the June 30, 2024 unassigned fund balance.

The revenues and other financing sources over budget of \$1,644,620 were primarily related to use of money and property and other tax items. See supplemental schedule for further information.

The expenditures, other financing uses, and encumbrances under budget of \$502,181 were primarily related to instruction. See supplemental schedule for further information.

Interest of \$301,322 was allocated to the reserves in accordance with District policy as detailed on page 11.

The assigned - appropriated fund balance of \$3,003,936 as of June 30, 2025 is the amount the District has chosen to use to fund its operating budget for 2025-2026.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The closing unassigned fund balance represents the fund balance retained by the District that is not reserved or assigned for the subsequent fiscal years’ taxes. New York State Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District’s budget for the ensuing fiscal year. The District’s unassigned fund balance is within the legal limit.

**6. CAPITAL ASSETS, INTANGIBLE LEASE ASSETS, DEBT ADMINISTRATION, AND OTHER LONG-TERM LIABILITIES**

**A) Capital Assets and Intangible Lease Assets:**

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

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

Category	2025	2024	Net Increase/ (Decrease)
Land	\$ 365,200	\$ 365,200	\$ -
Construction in progress	24,605,128	17,661,781	6,943,347
Buildings and building improvements	111,897,533	104,511,463	7,386,070
Furniture and equipment	2,128,081	2,587,147	(459,066)
Land improvements	1,371,617	1,771,617	(400,000)
Vehicles	534,598	487,152	47,446
Subtotal	<u>140,902,157</u>	<u>127,384,360</u>	<u>13,517,797</u>
Less: Accumulated depreciation	<u>40,700,604</u>	<u>38,664,130</u>	<u>2,036,474</u>
Total capital assets, net	<u>\$ 100,201,553</u>	<u>\$ 88,720,230</u>	<u>\$ 11,481,323</u>
Intangible lease assets, net	<u>\$ 1,363,777</u>	<u>\$ 2,549</u>	<u>\$ 1,361,228</u>

Depreciation expense and amortization expense were \$3,037,972 and \$302,189, respectively, for the fiscal year ended June 30, 2025. See the accompanying notes to financial statements for further details.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**B) Long-Term Debt:**

A summary of outstanding debt at June 30, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>	<u>Decrease</u>
Bonds payable (inclusive of unamortized premium)	\$ 29,013,060	\$ 31,406,924	\$ (2,393,864)
Lease liability	1,363,901	2,608	1,361,293
Energy performance contract debt payable	1,563,081	2,045,492	(482,411)
Total	<u>\$ 31,940,042</u>	<u>\$ 33,455,024</u>	<u>\$ (1,514,982)</u>

The decrease in bonds payable (inclusive of unamortized premiums) and energy performance contract debt payable represents scheduled repayments of debt principal. The lease liability increased as a result of new lease additions entered into during the fiscal year ended June 30, 2025, partially offset by scheduled repayments of debt principal. More detailed information about the District’s long-term debt is presented in the accompanying notes to financial statements.

**A. Other Long-Term Liabilities:**

A summary of the other long-term liabilities at June 30, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>	<u>Increase/ (Decrease)</u>
Compensated absences payable	\$ 6,753,286	\$ 6,724,928	\$ 28,358
Net pension liability - proportionate share			
Employees' retirement system	3,448,122	3,036,092	412,030
Teachers' retirement system	-	2,631,647	(2,631,647)
Total other post-employment benefits obligation	<u>91,531,865</u>	<u>109,616,412</u>	<u>(18,084,547)</u>
	<u>\$101,733,273</u>	<u>\$122,009,079</u>	<u>\$ (20,275,806)</u>

The change in other long-term liabilities is primarily due to changes in actuarial valuations for pensions and total other post-employment benefits obligation. The compensated absences payable balance included within the other long-term liabilities balance as of June 30, 2025, includes the effects of the change in accounting principle in connection with the implementation of GASB Statement No. 101. More detailed information about the District’s other long-term liabilities is presented in the accompanying notes to financial statements.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**7. FACTORS BEARING ON THE DISTRICT’S FUTURE**

- A. The general fund budget for the 2025-2026 school year in the amount of \$110,914,498 was approved by voters. This represents an increase of \$5,222,007, or 4.94%, over the previous fiscal year’s budget. The increase was primarily due to increases in personnel, employee benefits, instruction, and special education costs.
- B. Future budgets may be negatively affected by certain trends impacting school districts. These factors include the following:
- Rising costs in employee salaries and health benefits, as well as contributions to pension programs.
  - Increased costs associated with meeting the requirements for instructional services.
  - Uncertainty with state and federal aid, including new state mandates that may bring changes to state aid formulas that could negatively impact school districts.
  - Rising inflation as well as interest rates, which can affect all areas of the budget.
  - 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. Linda Carlin  
Interim Assistant Superintendent for Finance and Facilities  
580 White Plains Road  
Eastchester, NY 10709

**EASTCHESTER UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	
Unrestricted	\$ 34,200,607
Restricted	7,882,862
Receivables	
Accounts receivable	18,816
State and federal aid	2,088,572
Due from other governments	2,137,491
Noncurrent assets	
Capital assets not being depreciated	24,970,328
Capital assets being depreciated, net of accumulated depreciation	75,231,225
Intangible lease assets, net of accumulated amortization	1,363,777
Net pension assets:	
Teachers' retirement system - proportionate share	6,837,108
<b>TOTAL ASSETS</b>	<u>154,730,786</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	17,947,821
Other post-employment benefits obligation	15,435,541
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>33,383,362</u>
<b>LIABILITIES</b>	
Payables	
Accounts payable	3,122,367
Accrued liabilities	858,382
Due to other governments	751
Due to teachers' retirement system	5,315,064
Due to employees' retirement system	362,918
Compensated absences payable	464,254
Other liabilities	30,962
Accrued interest payable	1,134,372
Notes payable	
Bond anticipation note payable	50,034,000
Unearned credits	
Collections in advance	70,717
Long-term liabilities	
Due and payable within one year:	
Bonds payable (inclusive of unamortized premiums)	2,363,864
Lease liability	349,192
Energy performance contract debt payable	501,225
Compensated absences payable	1,304,504
Total other post-employment benefits obligation	2,880,663
Due and payable after one year:	
Bonds payable (inclusive of unamortized premiums)	26,649,196
Lease liability	1,014,709
Energy performance contract debt payable	1,061,856
Compensated absences payable	5,448,782
Net pension liability - proportionate share - employees' retirement system	3,448,122
Total other post-employment benefits obligation	88,651,202
<b>TOTAL LIABILITIES</b>	<u>195,067,102</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	8,480,729
Other post-employment benefits obligation	42,810,776
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>51,291,505</u>
<b>NET POSITION</b>	
Net investment in capital assets	18,704,408
Restricted	14,719,970
Unrestricted (deficit)	(91,668,837)
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (58,244,459)</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>FUNCTIONS / PROGRAMS</b>				
General support	\$ (16,392,998)	\$ -	\$ -	\$ (16,392,998)
Instruction	(82,049,173)	2,900,086	1,237,357	(77,911,730)
Pupil transportation	(5,412,561)		74,633	(5,337,928)
Debt service - interest	(3,272,773)			(3,272,773)
Food service program	(1,185,803)	1,425,120		239,317
<b>TOTAL FUNCTIONS AND PROGRAMS</b>	<b>\$ (108,313,308)</b>	<b>\$ 4,325,206</b>	<b>\$ 1,311,990</b>	<b>(102,676,112)</b>
 <b>GENERAL REVENUES</b>				
Real property taxes				77,372,556
Other tax items (including STAR reimbursement)				6,456,569
Use of money and property				2,166,691
Miscellaneous				1,084,259
State sources				16,334,501
<b>TOTAL GENERAL REVENUES</b>				<b>103,414,576</b>
 <b>CHANGE IN NET POSITION</b>				 738,464
 <b>TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>				 (58,637,996)
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>				(344,927)
 <b>TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR, AS RESTATED</b>				 (58,982,923)
 <b>TOTAL NET POSITION (DEFICIT) - END OF YEAR</b>				 <b>\$ (58,244,459)</b>

**EASTCHESTER UNION FREE SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents:							
Unrestricted	\$ 12,010,940	\$ -	\$ 479,733	\$ -	\$ 21,709,934	\$ -	\$ 34,200,607
Restricted	7,488,126			394,736			7,882,862
Receivables:							
Accounts receivable	18,816						18,816
State and federal aid	1,221,774	784,724			82,074		2,088,572
Due from other governments	2,137,491						2,137,491
Due from other funds	671,576			442,116	659,153	1,310,966	3,083,811
<b>TOTAL ASSETS</b>	<u>\$ 23,548,723</u>	<u>\$ 784,724</u>	<u>\$ 479,733</u>	<u>\$ 836,852</u>	<u>\$ 22,451,161</u>	<u>\$ 1,310,966</u>	<u>\$ 49,412,159</u>
<b>LIABILITIES</b>							
Payables							
Accounts payable	\$ 2,012,260	\$ 94,796	\$ 128,431	\$ -	\$ 886,880	\$ -	\$ 3,122,367
Accrued liabilities	855,565	2,817					858,382
Due to other governments			751				751
Due to other funds	1,284,181	671,576			1,128,054		3,083,811
Due to teachers' retirement system	5,315,064						5,315,064
Due to employees' retirement system	362,918						362,918
Compensated absences payable	464,254						464,254
Other liabilities	30,962						30,962
Notes payable							
Bond anticipation note payable					50,034,000		50,034,000
Unearned credits							
Collections in advance		15,535	55,182				70,717
<b>TOTAL LIABILITIES</b>	<u>10,325,204</u>	<u>784,724</u>	<u>184,364</u>	<u>-</u>	<u>52,048,934</u>	<u>-</u>	<u>63,343,226</u>
<b>FUND BALANCES</b>							
Restricted:							
Retirement contribution:							
Teachers' retirement system	865,321						865,321
Property loss	63,016						63,016
Liability	25,855						25,855
Tax certiorari	3,905,669						3,905,669
Employee benefit accrued liability	988,448						988,448
Unemployment insurance	155,479						155,479
Debt service						1,310,966	1,310,966
Scholarships and donations				568,108			568,108
Assigned:							
Appropriated fund balance	3,003,936						3,003,936
Unappropriated fund balance	1,146,553		295,369	268,744			1,710,666
Unassigned fund balance (deficit)	3,069,242				(29,597,773)		(26,528,531)
<b>TOTAL FUND BALANCES</b>	<u>13,223,519</u>	<u>-</u>	<u>295,369</u>	<u>836,852</u>	<u>(29,597,773)</u>	<u>1,310,966</u>	<u>(13,931,067)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 23,548,723</u>	<u>\$ 784,724</u>	<u>\$ 479,733</u>	<u>\$ 836,852</u>	<u>\$ 22,451,161</u>	<u>\$ 1,310,966</u>	<u>\$ 49,412,159</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2025**

Total Governmental Fund Balances \$ (13,931,067)

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 is reported as expenditures in the fiscal year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes 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	\$ 140,902,157	
Accumulated depreciation	<u>(40,700,604)</u>	100,201,553

The present value cost of leasing assets financed from the governmental funds is reported as expenditures in the fiscal year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those intangible lease 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	\$ 1,663,417	
Accumulated amortization	<u>(299,640)</u>	1,363,777

Certain disbursements previously expended in the governmental funds relating to pensions are treated as long term assets and increase net position. The net pension asset relating to the teachers' retirement system was: 6,837,108

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 expenses in future periods were as follows:

Deferred outflows of resources related to pensions	\$ 17,947,821	
Deferred outflows of resources related to other post-employment benefits obligation	<u>15,435,541</u>	33,383,362

Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Accrued interest payable relating to long-term liabilities at year end consisted of: (1,134,372)

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:

Bonds payable (inclusive of unamortized premiums)	\$ (29,013,060)	
Lease liability	(1,363,901)	
Energy performance contract debt payable	(1,563,081)	
Compensated absences payable	(6,753,286)	
Net pension liability - proportionate share - employees' retirement system	(3,448,122)	
Total other post-employment benefits obligation	<u>(91,531,865)</u>	(133,673,315)

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 revenue or a reduction in expenses in future periods were as follows:

Deferred inflows of resources related to pensions	\$ (8,480,729)	
Deferred inflows of resources related to other post-employment benefits obligation	<u>(42,810,776)</u>	<u>(51,291,505)</u>

Total Net Position \$ (58,244,459)

**EASTCHESTER UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
<b>REVENUES</b>							
Real property taxes	\$ 77,372,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,372,556
Other tax items	6,456,569						6,456,569
Charges for services	2,063,172			836,914			2,900,086
Use of money and property	2,162,909		3,782				2,166,691
Miscellaneous	591,420			20,892			612,312
State sources	16,334,501	474,725					16,809,226
Federal sources		816,373					816,373
Sales			1,425,120				1,425,120
<b>TOTAL REVENUES</b>	<u>104,981,127</u>	<u>1,291,098</u>	<u>1,428,902</u>	<u>857,806</u>	<u>-</u>	<u>-</u>	<u>108,558,933</u>
<b>EXPENDITURES</b>							
General support	12,224,591						12,224,591
Instruction	58,117,068	1,257,381		852,625			60,227,074
Pupil transportation	5,087,990	74,633					5,162,623
Employee benefits	24,823,510	75,612					24,899,122
Debt service - principal	3,299,535						3,299,535
Debt service - interest	2,314,215						2,314,215
Cost of sales			1,180,531				1,180,531
Capital outlay					15,949,407		15,949,407
<b>TOTAL EXPENDITURES</b>	<u>105,866,909</u>	<u>1,407,626</u>	<u>1,180,531</u>	<u>852,625</u>	<u>15,949,407</u>	<u>-</u>	<u>125,257,098</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(885,782)</u>	<u>(116,528)</u>	<u>248,371</u>	<u>5,181</u>	<u>(15,949,407)</u>	<u>-</u>	<u>(16,698,165)</u>
<b>OTHER FINANCING SOURCES AND USES</b>							
Proceeds from leases					1,663,417		1,663,417
Premiums on obligations						492,839	492,839
Bond anticipation note redeemed from appropriations					250,000		250,000
Operating transfers in	80,107	116,528					196,635
Operating transfers (out)	(116,528)				(19,210)	(60,897)	(196,635)
<b>TOTAL OTHER FINANCING SOURCES AND (USES)</b>	<u>(36,421)</u>	<u>116,528</u>	<u>-</u>	<u>-</u>	<u>1,894,207</u>	<u>431,942</u>	<u>2,406,256</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(922,203)</u>	<u>-</u>	<u>248,371</u>	<u>5,181</u>	<u>(14,055,200)</u>	<u>431,942</u>	<u>(14,291,909)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<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>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 13,223,519</u>	<u>\$ -</u>	<u>\$ 295,369</u>	<u>\$ 836,852</u>	<u>\$ (29,597,773)</u>	<u>\$ 1,310,966</u>	<u>\$ (13,931,067)</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances \$ (14,291,909)

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 fiscal year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Changes in these operating expenses were as follows: 316,569

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	\$ 287,449	
Teachers' retirement system	691,677	
Other post-employment benefits	<u>464,567</u>	1,443,693

Capital Related Differences

Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities, those costs are capitalized and reported on the Statement of Net Position and allocated to the governmental functions. Depreciation is based on the useful lives of the asset and is expensed as incurred on the Statement of Activities:

Capital outlays	\$ 14,519,295	
Depreciation expense	<u>(3,037,972)</u>	11,481,323

Capital outlays to 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 and allocated over their useful lives as annual amortization expense in the Statement of Activities:

Lease outlays	\$ 1,663,417	
Amortization expense	<u>(302,189)</u>	1,361,228

Long-Term Debt Differences

Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as it accrues. Accrued interest changed by: (893,526)

Proceeds from long-term liabilities are recorded as other financing sources in the governmental funds, but increases long-term liabilities on the Statement of Net Position and does not affect the Statement of Activities. Proceeds from long-term liabilities were as follows: (1,663,417)

Repayment of long-term liabilities is reported as 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. Repayments of long-term liabilities were as

Repayment of bond principal	\$ 2,265,000	
Repayment of lease obligation	302,124	
Repayment of energy performance contract debt payable	<u>482,411</u>	3,049,535

Premiums and discounts on debt issuances and deferred amounts from debt refunding are recognized when incurred on the Fund Financial Statements. The net amounts are amortized over the life of the debt issued in the Statement of Activities. The net amount that was amortized in the current fiscal year was: (65,032)

Change in Net Position \$ 738,464

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

**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 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 financial statements.

**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 are 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 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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

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. 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 and contributions include operating-specific and discretionary (either operating or capital) grants and contributions, 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.

**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.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

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 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 and other educational 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 for payments on long-term general obligation 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 are 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.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, lease liability, compensated absences payable, claims and judgments, 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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

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 1<sup>st</sup> and became a lien on August 2<sup>nd</sup>. Taxes were billed and collected by the Town of Eastchester (the “Town”) in two installments. The first installment was due September 1, 2024 and the second installment was due January 1, 2025.

Enforcement

The Town assumes responsibility for uncollected taxes. The entire tax levy is guaranteed to the District by April 1<sup>st</sup> 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 the accompanying notes to financial statements.

**G) Interfund Transactions:**

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

In the District-Wide Financial Statements, eliminations have been made for all interfund receivables and payables between the funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying Balance 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 the accompanying notes to financial statements 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,

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses/expenditures 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 potential contingent liabilities, if applicable.

**I) Cash and Cash Equivalents:**

The District’s cash and cash equivalents consist of cash on hand and 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 an allowance would not be material.

**K) Capital Assets:**

Capital assets are reflected in the District-Wide Financial Statements. Capital assets are reported at actual cost when information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the time received.

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. 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:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings 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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

amount of the asset will not be recoverable. At June 30, 2025, 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 to be made during 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 two items that qualify for reporting in this category. These amounts are related to pensions and other post-employment benefits obligation, reported in the District-Wide Statement of Net Position, which are detailed further in the accompanying notes to financial statements.

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 other post-employment benefits obligation in the District-Wide Statement of Net Position, which are detailed further in the accompanying notes to financial statements.

**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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

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 the accompanying notes to financial statements 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 student account balances 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 reduced and revenues are recorded.

Collections in advance at June 30, 2025, consisted of collection in advance for state and federal grants in the amount of \$15,535 in the special aid fund, and prepaid student account balances of \$55,182 in the school lunch fund.

**P) Employee Benefits – Compensated Absences:**

Compensated absences consist of unused 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 require these payments to be paid in the form of non-elective contributions into the employee's 403(b) plan.

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.

In accordance with the provisions of GASB Statement No. 101, *Compensated Absences*, compensated absences are recognized as a liability when the obligation is attributable to services already rendered, the payment is probable, and the amount can be reasonably estimated. This includes both:

- Leave that is expected to be used in future periods, and
- Leave that will be paid out upon termination or retirement, per contractual agreements.

The liability is calculated based on employees' current pay rates and any additional salary-related costs that are directly associated with the payment of compensated absences.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

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 reported for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30<sup>th</sup>.

**Q) Other Benefits:**

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(b).

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 fiscal 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 post-employment health insurance coverage is recognized on the accrual basis of accounting.

**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 is recorded in the general fund.

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

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, respectively) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets (net of unspent proceeds), capital-related accounts payable, and including any unamortized items (discounts, premiums, 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 does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

As of June 30, 2025, the governmental activities reported a deficit in unrestricted net position of \$91,668,837. This deficit is primarily the result of unfunded liabilities such as the District recognizing its proportionate share of the net pension liabilities and total OPEB liability on the Statement of Net Position. The accumulated effect of these required recognitions, coupled with the limitations from the state on funding the OPEB liability on a “pay as you go” basis, has resulted in an unrestricted net deficit.

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 did not report nonspendable fund balance in the governmental funds as of June 30, 2025.

**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** must be used for financing retirement contributions to the New York State and Local Employees’ 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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

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 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 must be used to establish a reserve fund for tax certiorari claims 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 fiscal 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 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 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 claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund.

Restricted for Debt Service – The restricted balance for debt service represents accumulated 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. These restricted funds are 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.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

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 Districts highest level of decision-making authority, (i.e., the Board). The District has no committed fund balances as of June 30, 2025.

**Assigned fund balance** - Includes amounts that are subject to a purpose constraint that represents an intended use established by the District's Board. 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 fiscal 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.

New York State 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 fiscal year and encumbrances included in the assigned fund balance are also excluded from the 4% limitation. The District's general fund unassigned fund balance was within the New York State Real Property Tax Law §1318 limit as of June 30, 2025.

Deficit Fund Balance:

The capital projects fund has an unassigned deficit fund balance of \$29,597,733. The deficit in the capital projects fund is the result of the District not yet obtaining permanent financing on capital improvement projects. The unassigned deficit fund balance should be eliminated once permanent financing is obtained by the District.

Fund Balance Classification

Any portion of fund balance may be applied or transferred for a specific purpose by law, voter approval if required by law, or by formal action of the Board if voter approval is not

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

required. Amendments or modifications to the applied or transferred fund balance must be approved by formal action of the Board.

The Board shall designate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

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) New Accounting Pronouncement:**

GASB has issued Statement No. 101, *Compensated Absences* (GASB Statement No. 101), effective for the District for the fiscal year ended June 30, 2025. This statement establishes updated recognition and measurement guidance for liabilities related to compensated absences. Under GASB Statement No. 101, liabilities for compensated absences are recognized when leave is attributable to services already rendered, payment is probable, and the amount can be reasonably estimated. This includes both accumulated leave expected to be used in future periods and leave payable upon an employee's separation from service. The liability is measured using current pay rates as of the financial statement date, including any applicable salary-related costs.

As disclosed in the accompanying notes to financial statements, the cumulative effect of the adoption of GASB Statement No. 101 (change in accounting principle) was an increase of the compensated absences payable balance of \$344,927 and an increase to the net deficit of \$344,927 in the Statement of Net Position as of July 1, 2024.

**U) Future Accounting Pronouncements:**

GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*, to improve the key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this statement are effective for the fiscal year ended June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as intangible lease assets, subscription assets, and assets held for sale. The requirements of this statement are effective for the fiscal year ended June 30, 2026.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

The statements above are not an all-inclusive list of all future GASB statements impacting the District. The District will evaluate the impact and materiality of the statements 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 Balance Sheet.

**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 Balances 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.

Capital Related Differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on the Fund Financial 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 Financial Statements and depreciation or amortization expense on those items as recorded in the Statement of Activities.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

Long-Term Debt Differences:

Long-term debt differences occur because both interest and principal payments are recorded as expenditures in the Fund Financial 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 for 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 the subsequent fiscal year. Appropriations authorized for the current fiscal 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 supplementary information – schedule of change from adopted budget to final budget.

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

Budgets are established and used for individual capital projects fund 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 reservations of fund balance and do not represent expenditures or liabilities. These commitments will be

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

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.

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

- 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 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 legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2025 included \$7,882,862 within the governmental funds for general reserve purposes 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.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

**D) Investment Pools:**

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, 2025, the District held \$15,771,200 within the general fund in investments consisting of various securities issued by the United States and its agencies.

Total investments of the cooperative at June 30, 2025, are \$13,530,190,970, which consisted of \$3,819,691,492 in repurchase agreements, and \$9,710,499,478 in U.S. Government Treasury Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2025 are \$591,627,356.

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. New York Cooperative Liquid Assets Securities System (NYCLASS) is rated AAAM by S&P Global ratings. Additional information concerning the cooperative is presented in the annual report of NYCLASS, which may be obtained from their website [www.newyorkclass.org](http://www.newyorkclass.org) or by contacting their registered investment advisor, Public Trust Advisors, LLC at 717 17th Street, Suite 1850, Denver, CO 80202.

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.

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, 2025, the District held \$24,776,997 within the general fund and capital projects fund in investments consisting of various securities issued by the United States and its agencies.

Total investments of the cooperative as of year-end are \$1,412,451,541 which consists of \$107,200,000 in repurchase agreements, \$1,012,277,579 in U.S. Treasury Securities, \$292,825,403 in collateralized bank products with various interest rates and due dates, and \$148,559 in cash.

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](http://www.nylaf.org).

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

**NOTE 5 – PARTICIPATION IN BOCES:**

During the fiscal year ended June 30, 2025, the District was billed \$7,345,736 for BOCES administrative and program costs. The District’s share of BOCES aid amounted to \$1,852,075. Financial statements for the BOCES of Southern Westchester are available from their administrative office at 17 Berkley Drive, Rye Brook, NY 10573.

**NOTE 6 – STATE AND FEDERAL AID RECEIVABLE:**

State and federal aid receivable at June 30, 2025, consisted of the following:

General Fund	
General aid	\$ 98,490
Excess cost aid	182,886
BOCES aid	<u>940,398</u>
Total - General Fund	<u>\$ 1,221,774</u>
Special Aid Fund	
State grants	\$ 481,007
Federal grants	<u>303,717</u>
Total - Special Aid Fund	<u>\$ 784,724</u>
Capital Projects Fund	
State reimbursement	<u>\$ 82,074</u>
Total - All Funds	<u>\$ 2,088,572</u>

District management has deemed these receivables to be fully collectible.

**NOTE 7 – DUE FROM OTHER GOVERNMENTS:**

Due from other governments in the general fund at June 30, 2025, consisted of the following:

Westchester county sales tax	\$ 558,621
Tuition and health service billings from other Districts	<u>1,578,870</u>
Total - Due from other governments	<u>\$ 2,137,491</u>

District management has deemed these receivables to be fully collectible.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

**NOTE 8 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:**

**A) Capital Assets:**

Capital asset balances and activity for the fiscal year ended June 30, 2025, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 365,200	\$ -	\$ -	\$ 365,200
Construction in progress	17,661,781	14,285,990	(7,342,643)	24,605,128
Total capital assets not being depreciated	<u>18,026,981</u>	<u>14,285,990</u>	<u>(7,342,643)</u>	<u>24,970,328</u>
Capital assets being depreciated				
Buildings and building improvements	104,511,463	43,427	7,342,643	111,897,533
Furniture and equipment	2,587,147	142,432	(601,498)	2,128,081
Land improvement	1,771,617		(400,000)	1,371,617
Vehicles	487,152	47,446		534,598
Capital assets being depreciated	<u>109,357,379</u>	<u>233,305</u>	<u>6,341,145</u>	<u>115,931,829</u>
Accumulated depreciation				
Buildings and building improvements	35,223,555	2,862,062		38,085,617
Furniture and equipment	1,872,390	89,795	(601,498)	1,360,687
Land improvement	1,283,541	47,376	(400,000)	930,917
Vehicles	284,644	38,739		323,383
Total accumulated depreciation	<u>38,664,130</u>	<u>3,037,972</u>	<u>(1,001,498)</u>	<u>40,700,604</u>
Total capital assets being depreciated, net	<u>70,693,249</u>	<u>(2,804,667)</u>	<u>7,342,643</u>	<u>75,231,225</u>
Total capital assets, net	<u>\$ 88,720,230</u>	<u>\$11,481,323</u>	<u>\$ -</u>	<u>\$100,201,553</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 2,406,019
Instruction	626,681
Food service program	5,272
Total	<u>\$ 3,037,972</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

**B) Intangible Lease Assets:**

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2025:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Intangible lease assets				
Furniture and equipment	\$ 596,932	\$ 1,663,417	\$ (596,932)	\$ 1,663,417
Total intangible lease assets	596,932	1,663,417	(596,932)	1,663,417
Less accumulated amortization:				
Furniture and equipment	594,383	302,189	(596,932)	299,640
Total accumulated amortization	594,383	302,189	(596,932)	299,640
 Total intangible lease assets, net	 \$ 2,549	 \$ 1,361,228	 \$ -	 \$ 1,363,777

Amortization expense of \$302,189 was charged to the governmental functions as instruction.

**NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:**

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 671,576	\$ 1,284,181	\$ 80,107	\$ 116,528
Special aid fund		671,576	116,528	
Miscellaneous special revenue fund	442,116			
Capital projects fund	659,153	1,128,054		19,210
Debt service fund	1,310,966			60,897
Totals	\$ 3,083,811	\$ 3,083,811	\$ 196,635	\$ 196,635

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.

In addition, transfers were made from the debt service fund to the general fund to subsidize interest payments on related debt. The District also transferred unused fund balance amounts from the capital projects fund to the general fund upon completion of certain projects.

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  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

**NOTE 10 - SHORT-TERM DEBT:**

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

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
BAN	1/24/2025	4.25%	\$ 29,500,000	\$ -	\$ (29,500,000)	\$ -
BAN	1/23/2026	4.00%	-	50,034,000	-	50,034,000
			<u>\$ 29,500,000</u>	<u>\$ 50,034,000</u>	<u>\$ (29,500,000)</u>	<u>\$ 50,034,000</u>

On January 25, 2024, the District issued and had outstanding at June 30, 2024, BANs totaling \$29,500,000. The BAN had a stated interest rate of 4.250% per annum and matured on January 24, 2025. The District received \$284,380 in premiums related to the issuance of debt. Interest on short-term debt for the fiscal year amounted to \$1,250,267. The short-term financing was used to fund ongoing capital projects.

On January 23, 2025, the District issued and had outstanding at June 30, 2025, BANs totaling \$50,034,000 with a stated maturity date of January 23, 2026, totaling \$50,034,000 for the short-term financing of ongoing capital projects. The District received \$492,839 in premiums related to the issuance of debt. Interest on the short-term debt to be paid in fiscal year 2026 will be \$2,001,360, resulting in a net interest cost of \$1,508,521.

**NOTE 11 – LONG-TERM LIABILITIES:**

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

	<u>As Restated Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-term debt:					
Bonds payable	\$ 30,350,000	\$ -	\$ (2,265,000)	\$ 28,085,000	\$ 2,235,000
Plus: unamortized premiums on bonds	1,056,924		(128,864)	928,060	128,864
Lease liability	2,608	1,663,417	(302,124)	1,363,901	349,192
Energy performance contract debt payable	2,045,492		(482,411)	1,563,081	501,225
	<u>33,455,024</u>	<u>1,663,417</u>	<u>(3,178,399)</u>	<u>31,940,042</u>	<u>3,214,281</u>
Other long-term liabilities:					
Compensated absences payable*	7,069,855		(316,569)	6,753,286	1,304,504
Net pension liability - proportionate share					
Employees' retirement system	3,036,902	1,488,439	(1,077,219)	3,448,122	
Teachers' retirement system	2,631,647		(2,631,647)	-	
Total other post-employment benefits obligation	<u>109,616,412</u>	<u>8,586,410</u>	<u>(26,670,957)</u>	<u>91,531,865</u>	<u>2,880,663</u>
Total long-term liabilities	<u>\$ 155,809,840</u>	<u>\$ 11,738,266</u>	<u>\$ (33,874,791)</u>	<u>\$ 133,673,315</u>	<u>\$ 7,399,448</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

\*Beginning balance is restated. See the accompanying notes to financial statements for further detail of the opening balance restatement in connection with the change in accounting principle.

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

**A) Bonds Payable:**

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2025
Serial Bonds - Construction Series B - Refunded	2014	2029	2-3%	\$ 615,000
Serial Bonds - Construction Series B - Refunded	2016	2028	1-4%	845,000
Serial Bonds - Construction	2018	2039	1.59%-3.5%	20,660,000
Serial Bonds - Refunded	2020	2032	4%	1,080,000
Serial Bonds - MS Refunded	2021	2034	1-4%	4,885,000
				<u>\$ 28,085,000</u>

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	\$ 2,235,000	\$ 881,112	\$ 3,116,112
2027	2,305,000	804,886	3,109,886
2028	2,385,000	710,313	3,095,313
2029	2,165,000	615,688	2,780,688
2030	2,070,000	549,538	2,619,538
2031-2035	10,185,000	1,863,750	12,048,750
2036-2039	6,740,000	461,581	7,201,581
	<u>\$ 28,085,000</u>	<u>\$ 5,886,868</u>	<u>\$ 33,971,868</u>

The bonds are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and remedies for enforcement of payment are not expressly included in the District's contract with such owners. Upon default in the payment of principal of or interest on the bonds at the suit of the owner, a court has the power, in proper and appropriate proceedings, to render judgment against the District. A court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

Section 99-b of the State Finance Law provides for a covenant between New York State and the purchasers and the holders and owners from time to time of the bonds issued by school districts in New York State. In the event a holder or owner of any bond issued by a school district for school purposes shall file with the Office of the New York State Comptroller (OSC), a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both. The OSC shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such state aid or assistance due to such school district such amount thereof as may be required to pay the principal of and interest on such bonds of such school district then in default. In the event such state aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the OSC shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such state aid or assistance due such school district such amount or amounts thereof as may be required to cure such default.

**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 4.16% to 7.19%.

Principal and interest amounts paid on the District's lease liability amounted to \$302,124 and \$66,111, respectively, for the fiscal year ended June 30, 2025.

The following is a summary of debt service requirements for lease liability:

Fiscal Year Ended				
June 30,	Principal	Interest	Total	
2026	\$ 349,192	\$ 58,356	\$ 407,548	
2027	366,623	40,924	407,547	
2028	358,841	22,765	381,606	
2029	247,585	7,935	255,520	
2030	41,660	270	41,930	
	<u>\$ 1,363,901</u>	<u>\$ 130,250</u>	<u>\$ 1,494,151</u>	

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR 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, 2025
Energy performance contract debt payable	6/15/2012	6/15/2028	2.203%	<u>\$ 1,563,081</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
2026	\$ 501,225	\$ 34,435	\$ 535,660
2027	520,773	23,393	544,166
2028	541,083	11,920	553,003
	<u>\$ 1,563,081</u>	<u>\$ 69,748</u>	<u>\$ 1,632,829</u>

**D) Long-Term Interest:**

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

	Total
Interest paid	\$ 1,063,948
Less interest accrued in the prior fiscal year	(240,846)
Plus interest accrued in the current fiscal year	1,134,372
Less amortization of premiums and deferred amounts on bond refundings	65,032
Total expense	<u>\$ 2,022,506</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

**NOTE 12 – 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, 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](http://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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire](http://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
    - 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, but before April 1, 2012
    - 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
    - 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, but 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, 2025, ranged from 11.30% to 17.70% 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, 2025, was 10.11% 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:

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

Year	NYSERS	NYSTRS
2025	\$ 1,077,219	\$ 4,481,099
2024	\$ 892,168	\$ 4,259,599
2023	\$ 867,160	\$ 4,374,198

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

At June 30, 2025, 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, 2025 for ERS and June 30, 2024 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a 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, 2025	June 30, 2024
Net pension asset/(liability)	\$ (3,448,122)	\$ 6,837,108
District's portion of the Plan's total net pension asset/(liability)	0.0201107%	0.229156%
Change in proportion since the prior measurement date	-0.0005148%	-0.000967%

For the fiscal year ended June 30, 2025, the District recognized pension expense of \$824,637 for ERS and \$3,814,467 for TRS. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 855,847	\$ 7,362,309	\$ 40,371	\$ -
Net difference between projected and actual earnings on pension plan investments	270,530	-	-	7,596,609
Changes of assumptions	144,607	4,089,976	-	687,972
Changes in proportion and differences between the District's contributions and proportionate share of contributions	234,987	145,548	100,793	54,984
District's contributions subsequent to the measurement date	362,918	4,481,099	-	-
	<u>\$ 1,868,889</u>	<u>\$ 16,078,932</u>	<u>\$ 141,164</u>	<u>\$ 8,339,565</u>

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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Plan year ended:		
2025	\$ -	\$ (3,493,014)
2026	654,131	8,408,587
2027	932,252	(1,348,915)
2028	(270,039)	(1,538,659)
2029	48,463	882,369
Thereafter	347,900	347,900
	<u>\$ 1,364,807</u>	<u>\$ 3,258,268</u>

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.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Investment rate of return (net of pension plan investment expense, including inflation)	5.90%	6.95%
Salary increases	4.30%	1.95% - 5.18%
Cost of Living Adjustments	1.5% annually	1.3% annually
Decrement	April 1, 2015 - March 31, 2020	July 1, 2019 - June 30, 2023
	System's Experience	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, 2024, 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, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023.

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

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

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2025		June 30, 2024	
<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	25%	3.54%	33%	6.6%
International equity	14%	6.57%	15%	7.4%
Global equity			4%	6.9%
Private equity	15%	7.25%	9%	10.0%
Real estate	12%	4.95%	11%	6.3%
Opportunistic/ absolute return strategy	3%	5.25%		
Real assets	4%	5.55%		
Credit	4%	5.40%		
Cash	1%	0.25%		
Fixed income	22%	2.00%	16%	2.6%
Global bonds			2%	2.5%
High-yield bonds			1%	4.8%
Private debt			2%	5.9%
Real estate debt			6%	3.9%
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, 2025**

Sensitivity of the Proportionate Share of the Net 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)	\$ (9,979,299)	\$ (3,448,122)	\$ 2,005,415
	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)	\$ (31,580,994)	\$ 6,837,108	\$ 39,147,762

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Employers' total pension liability	\$ (247,600,239)	\$ (142,837,827)
Plan Fiduciary Net Position	230,454,512	145,821,435
Employers' net pension asset/(liability)	\$ (17,145,727)	\$ 2,983,608
Ratio of plan fiduciary net position to the Employers' total pension liability	93.08%	102.09%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$362,918.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October, and November 2025 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 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, 2025 amounted to \$5,315,064.

**NOTE 13 – 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, 2025, totaled \$0 and \$2,658,288, respectively.

**B) Deferred Compensation Plan:**

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457(b) for eligible employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the fiscal year ended June 30, 2025 totaled \$374,155.

**NOTE 14 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):**

**A) General Information about the OPEB Plan:**

Plan Description

The District's OPEB Plan (the "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 to pay related benefits.

Benefits Provided

The 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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

70% of premiums for retirees and 0% to 50% of the premiums for surviving spouses and dependents (family), 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 come due. For the measurement period ending June 30, 2025, the District contributed an estimated \$3,409,730 to the Plan, including \$3,409,730 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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	346
Active employees	408
	754
	754

**B) Total OPEB Liability:**

The District’s total OPEB liability of \$91,531,865 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024. 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, 2024 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	5.20%
Healthcare cost trend rates	
Pre-65	6.60% decreasing to 3.80% over 55 years
Post-65	7.30% decreasing to 3.80% over 55 years
Medicare Part B	3.40% increasing to 3.80% over 55 years
Salary scale	2.40%
Retirees' share of benefit-related costs	30% to 50% of health insurance premiums for individuals, 50% to 65% of premiums for family coverage, and 100% of surviving spouse coverage

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

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, 2024 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, 2024	\$ 109,616,412
Changes for the fiscal year:	
Service cost	4,180,546
Interest	4,405,864
Changes in demographic gains or losses	(5,316,553)
Changes in assumptions or other inputs	(17,944,674)
Benefit payments	(3,409,730)
Net changes	<u>(18,084,547)</u>
Balance at June 30, 2025	<u><u>\$ 91,531,865</u></u>

Changes in assumptions or other inputs from June 30, 2024 to June 30, 2025 include the change in discount rate from 3.93% to 5.20%.

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 or 1-percentage-point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	<u>\$ 105,357,104</u>	<u>\$ 91,531,865</u>	<u>\$ 80,262,952</u>

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 or 1-percentage-point higher than the current healthcare cost trend rates:

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 78,287,058	\$ 91,531,865	\$ 108,320,585

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$2,945,163. At June 30, 2025, 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	\$ -	\$ 9,586,025
Changes of assumptions or other inputs	15,435,541	33,224,751
	\$ 15,435,541	\$ 42,810,776

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

Fiscal Year ended June 30:	
2026	\$ (5,641,247)
2027	(4,365,482)
2028	(4,741,994)
2029	(4,382,254)
2030	(2,229,637)
Thereafter	(6,014,621)
	\$ (27,375,235)

**NOTE 15 – ASSIGNED: APPROPRIATED FUND BALANCE:**

The amount of \$3,003,936 has been appropriated as of June 30, 2025, to reduce taxes for the fiscal year ending June 30, 2026.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

**NOTE 16 – RISK MANAGEMENT:**

**A) General:**

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 reserves and 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, 2025, the discounted Workers' Compensation Plan's total liability for unbilled and open claims was \$17,918,303 at a 2.0% discount rate. The Workers' Compensation Plan has assets of \$33,419,230 as of June 30, 2025, to pay these liabilities. The District's proportionate share of the Plan's discounted liability at June 30, 2025, was \$953,970, and its contribution to the Plan during the fiscal year was \$398,754.

**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 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.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

**NOTE 17 - COMMITMENTS AND CONTINGENCIES:**

**A) Encumbrances:**

All encumbrances are classified as assigned fund balance. At June 30, 2025, the District encumbered the following amounts:

General fund:		
General support	\$	788,449
Instruction		358,104
		<u>\$ 1,146,553</u>
School lunch fund:		
Food service	\$	38,715
		<u>38,715</u>
Capital projects fund:		
Capital outlay	\$	14,710,557
		<u>14,710,557</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.

As of June 30, 2025, we are unaware of any pending or threatened litigation or unasserted claims or assessments against the District which require disclosure.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2025**

**NOTE 18 – RESTATEMENT OF NET POSITION**

During the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101. The implementation of GASB Statement No. 101 (change in accounting principle) required the restatement of the beginning net position as of July 1, 2024. The cumulative effect of this change is summarized as follows:

	Statement of Net Position
Net Position (Deficit), Beginning of Year, as Previously Reported	\$ (58,637,996)
Long-term liabilities	
Compensated absences payable	344,927
Total Long-Term Liabilities	344,927
Net Position (Deficit), Beginning of Year, as Restated	\$ (58,982,923)

**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 to financial statements. Management evaluated the activity of the District through October 14, 2025 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, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
<b>REVENUES</b>				
Local Sources				
Real property taxes	\$ 77,372,556	\$ 77,372,556	\$ 77,372,556	\$ -
Other tax items	6,182,843	6,182,843	6,456,569	273,726
Charges for services	2,350,000	2,350,000	2,063,172	(286,828)
Use of money and property	1,020,607	1,020,607	2,162,909	1,142,302
Miscellaneous	325,000	374,123	591,420	217,297
State Sources	<u>16,116,485</u>	<u>16,116,485</u>	<u>16,334,501</u>	<u>218,016</u>
<b>TOTAL REVENUES</b>	<u>103,367,491</u>	<u>103,416,614</u>	<u>104,981,127</u>	<u>1,564,513</u>
Other Financing Sources				
Transfers from other funds	<u>-</u>	<u>-</u>	<u>80,107</u>	<u>80,107</u>
<b>TOTAL REVENUES AND FINANCING OTHER SOURCES</b>	<u>103,367,491</u>	<u>103,416,614</u>	<u>105,061,234</u>	<u>\$ 1,644,620</u>
Appropriated fund balance	2,325,000	2,325,000		
Appropriated reserves	<u>1,290,373</u>	<u>1,890,557</u>		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE AND RESERVES</b>	<u>\$ 106,982,864</u>	<u>\$ 107,632,171</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, 2025**

	<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>
<b>EXPENDITURES</b>					
General Support					
Board of education	\$ 226,904	\$ 185,430	\$ 176,682	\$ -	\$ 8,748
Central administration	397,744	405,393	399,383	189	5,821
Finance	893,746	813,760	790,301	10,000	13,459
Staff	926,488	980,448	967,419	80	12,949
Central services	9,190,654	9,440,970	8,641,927	778,180	20,863
Special items	1,263,435	1,271,618	1,248,879	-	22,739
Total General Support	<u>12,898,971</u>	<u>13,097,619</u>	<u>12,224,591</u>	<u>788,449</u>	<u>84,579</u>
Instruction					
Instruction, adm. & imp.	3,651,180	3,743,244	3,690,730	1,113	51,401
Teaching - regular school	29,143,389	29,280,593	28,937,260	199,901	143,432
Programs for children with disabilities	14,644,994	14,387,826	14,333,773	47,637	6,416
Occupational education	894,700	930,738	930,738	-	-
Teaching special schools	51,750	65,633	63,986	-	1,647
Instructional media	4,393,270	3,892,182	3,807,059	48,036	37,087
Pupil services	6,215,407	6,554,374	6,353,522	61,417	139,435
Total Instruction	<u>58,994,690</u>	<u>58,854,590</u>	<u>58,117,068</u>	<u>358,104</u>	<u>379,418</u>
Pupil Transportation	4,909,744	5,126,174	5,087,990	-	38,184
Employee Benefits	24,627,960	24,823,510	24,823,510	-	-
Debt Service					
Debt service - principal	3,247,411	3,299,535	3,299,535	-	-
Debt service - interest	2,104,088	2,314,215	2,314,215	-	-
Total Debt Service	<u>5,351,499</u>	<u>5,613,750</u>	<u>5,613,750</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b>106,782,864</b>	<b>107,515,643</b>	<b>105,866,909</b>	<b>1,146,553</b>	<b>502,181</b>
Other Financing Uses					
Transfers to other funds	200,000	116,528	116,528	-	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>\$ 106,982,864</u></b>	<b><u>\$ 107,632,171</u></b>	<b>105,983,437</b>	<b><u>\$ 1,146,553</u></b>	<b><u>\$ 502,181</u></b>
Net Changes in Fund Balance			(922,203)		
Fund Balance - Beginning of Year			<u>14,145,722</u>		
Fund Balance - End of Year			<u>\$ 13,223,519</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, \***

<b>NYSERS Pension Plan</b>										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.0201107%	0.0206255%	0.0215061%	0.0197216%	0.0197570%	0.0200689%	0.0202905%	0.0208380%	0.0220738%	0.0229870%
District's proportionate share of the net pension asset/(liability)	\$ (3,448,122)	\$ (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)
District's covered payroll	\$ 8,975,884	\$ 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
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	38.42%	42.40%	64.15%	23.48%	0.32%	83.90%	22.90%	10.96%	33.05%	58.63%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%
<b>NYTRS Pension Plan</b>										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.229156%	0.230123%	0.229024%	0.230602%	0.233199%	0.234211%	0.233074%	0.235939%	0.234486%	0.235405%
District's proportionate share of the net pension asset/(liability)	\$ 6,837,108	\$ (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
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
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	15.32%	6.09%	10.64%	100.46%	16.28%	15.39%	10.94%	4.72%	6.93%	68.06%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	102.09%	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%
Discount rate	6.95%	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%

**Note to Required Supplementary Information**

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

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

<b>NYSERS Pension Plan</b>										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,077,219	\$ 892,168	\$ 867,160	\$ 881,646	\$ 945,711	\$ 869,093	\$ 902,507	\$ 932,086	\$ 954,390	\$ 1,044,730
Contributions in relation to the contractually required contribution	1,077,219	892,168	867,160	881,646	945,711	869,093	902,507	932,086	954,390	1,044,730
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 9,032,937	\$ 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
Contributions as a percentage of covered payroll	11.93%	11.73%	12.10%	12.64%	14.82%	13.82%	14.52%	15.03%	15.30%	16.48%

<b>NYTRS Pension Plan</b>										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 4,481,099	\$ 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
Contributions in relation to the contractually required contribution	4,481,099	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
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 45,547,965	\$ 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
Contributions as a percentage of covered payroll	9.84%	9.54%	10.12%	9.63%	9.38%	8.86%	9.41%	11.37%	12.64%	17.11%

**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,**

	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>								
Service cost	\$ 4,180,546	\$ 4,238,517	\$ 3,607,130	\$ 5,184,877	\$ 4,617,642	\$ 3,312,864	\$ 4,056,641	\$ 4,787,858
Interest	4,405,864	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	(5,316,553)	-	(755,349)	-	(6,641,669)	-	(11,059,394)	(257,037)
Changes of assumptions or other inputs	(17,944,674)	(4,849,881)	12,538,477	(24,124,844)	10,265,601	16,641,069	(14,358,263)	0
Benefit payments	(3,409,730)	(2,819,466)	(2,603,032)	(2,690,423)	(2,560,039)	(2,446,359)	(2,241,242)	(1,970,002)
<b>Net change in total OPEB liability</b>	(18,084,547)	650,150	13,943,756	(19,082,627)	8,098,204	20,571,327	(20,340,642)	5,678,068
<b>Total OPEB liability - beginning</b>	109,616,412	108,966,262	95,022,506	114,105,133	106,006,929	85,435,602	105,776,244	100,098,176
<b>Total OPEB liability - ending</b>	<u>\$ 91,531,865</u>	<u>\$ 109,616,412</u>	<u>\$ 108,966,262</u>	<u>\$ 95,022,506</u>	<u>\$ 114,105,133</u>	<u>\$ 106,006,929</u>	<u>\$ 85,435,602</u>	<u>\$ 105,776,244</u>
<b>Covered-employee payroll</b>	\$ 44,403,202	\$ 40,373,683	\$ 40,373,683	\$ 41,967,029	\$ 41,967,029	\$ 40,943,349	\$ 40,943,349	\$ 43,195,472
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	206.14%	271.50%	269.89%	226.42%	271.89%	258.91%	208.67%	244.88%
Discount rate	5.20%	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%

**Notes to Schedule:**

*Trust Assets*

There are no assets accumulated in a trust to pay related benefits.

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
OTHER SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET - GENERAL FUND  
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted Budget		\$ 105,692,491
	Add: Prior year's encumbrances	1,290,373
Original Budget		106,982,864
	Budget revisions:	
	Appropriation of retirement contribution reserve - employees' retirement system	\$ 107,028
	Appropriation of tax certiorari reserve	28,902
	Appropriation of employee benefit accrued liability reserve	464,254
	Donations	49,123
		649,307
Final Budget		\$ 107,632,171

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

Subsequent fiscal year's voter-approved expenditure budget		\$ 110,914,498
Maximum allowed (4% of subsequent fiscal year's budget)		\$ 4,436,580
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
	Unrestricted fund balance:	
	Assigned fund balance	\$4,150,489
	Unassigned fund balance	3,069,242
	Total unrestricted fund balance	7,219,731
	Less:	
	Appropriated fund balance	\$3,003,936
	Encumbrances included in assigned fund balance	1,146,553
	Total adjustments	4,150,489
	General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$ 3,069,242
Actual percentage		2.77%

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
OTHER SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND FOR  
THE FISCAL YEAR ENDED JUNE 30, 2025**

Project Title	Original Appropriation	Revised Appropriation	Expenditures				Unexpended Balance	Proceeds from Debt	Methods of Financing		Fund Balance June 30, 2025
			Prior Year's	Current Year	Transfer to General Fund	Total			Local Sources	Total	
EMS Roof and Gymnasium Renovation	\$ 2,400,000	\$ 2,869,158	\$ 2,849,948	\$ -	\$ 19,210	\$ 2,869,158	\$ -	\$ -	\$ 2,869,158	\$ 2,869,158	\$ -
DW Infrastructure and Security Bond	2,239,288	2,245,376	1,514,652	472,023	-	1,986,675	258,701	-	-	-	(1,986,675) *
Infrastructure and Security Bond- WV	1,901,283	1,900,690	1,940,251	45,466	-	1,985,717	(85,027)	-	-	-	(1,985,717) *
Infrastructure and Security Bond- MS/HS	1,621,852	1,621,852	1,467,786	55,289	-	1,523,075	98,777	-	1,246,220	1,246,220	(276,855) *
Infrastructure and Security Bond- MS/HS	6,098,188	7,125,828	6,228,441	1,114,202	-	7,342,643	(216,815)	-	853,782	853,782	(6,488,861) *
Infrastructure and Security Bond- GV	3,844,815	2,746,217	2,001,763	289,924	-	2,291,687	454,530	-	-	-	(2,291,687) *
Infrastructure and Security Bond- MS/HS	25,168,250	23,533,794	3,692,601	8,321,434	-	12,014,035	11,519,759	-	250,000	250,000	(11,764,035) *
Infrastructure and Security Bond- AH	872,952	872,952	315,125	1,412,952	-	1,728,077	(855,125)	-	-	-	(1,728,077) *
Infrastructure and Security Bond- AH	11,740,718	11,740,718	450,129	2,399,260	-	2,849,389	8,891,329	-	-	-	(2,849,389) *
Infrastructure and Security Bond- MS/HS	1,463,397	1,463,397	51,037	115,527	-	166,564	1,296,834	-	-	-	(166,564) *
Infrastructure and Security Bond- MS/HS	3,698,118	3,698,118	-	59,914	-	59,914	3,638,204	-	-	-	(59,914) *
Leases	1,663,417	1,663,417	-	1,663,417	-	1,663,417	-	1,663,417	-	1,663,417	-
<b>TOTAL</b>	<u>\$ 62,712,278</u>	<u>\$ 61,481,517</u>	<u>\$ 20,511,733</u>	<u>\$ 15,949,407</u>	<u>\$ 19,210</u>	<u>\$ 36,480,350</u>	<u>\$ 25,001,167</u>	<u>\$ 1,663,417</u>	<u>\$ 5,219,160</u>	<u>\$ 6,882,577</u>	<u>\$ (29,597,773)</u>

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT OTHER  
SUPPLEMENTARY INFORMATION SCHEDULE  
OF NET INVESTMENTS IN CAPITAL ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<b>Capital assets, net</b>		\$ 100,201,553
<b>Intangible lease assets, net</b>		1,363,777
<b>Deduct:</b>		
Capital-related accounts payable	\$ 886,880	
Bond anticipation note payable	50,034,000	
Short-term portion of bonds payable (inclusive of unamortized premiums)	2,363,864	
Long-term portion of bonds payable (inclusive of unamortized premiums)	26,649,196	
Short-term portion of lease liability	349,192	
Long-term portion of lease liability	1,014,709	
Short-term portion of energy performance contract debt payable	501,225	
Long-term portion of energy performance contract debt payable	1,061,856	82,860,922
<b>Net investment in capital assets</b>		<b>\$ 18,704,408</b>

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2025.

**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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District'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  
October 14, 2025