

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

# EASTCHESTER UNION FREE SCHOOL DISTRICT

## TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
<u>Number</u>		
<b>I.</b>	<b>INDEPENDENT AUDITOR’S REPORT, MANAGEMENT’S DISCUSSION AND ANALYSIS AND BASIC FINANCIAL STATEMENTS</b>	
	Independent Auditor’s Report	2 - 3
1	Management’s Discussion and Analysis (Required Supplementary Information) (MD&A)	4 - 16
2	Statement of Net Position	17
3	Statement of Activities	18
4	Balance Sheet – Governmental Funds	19
5	Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	20
6	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	21
7	Reconciliation of Governmental Fund Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	22
8	Notes to Financial Statements	23 - 55
<b>II.</b>	<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
SS1	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	56 - 57
SS2	Schedule of Changes in the District’s Total Other Post-Employment Benefits Liability and Related Ratios	58
SS3	Schedule of District’s Proportionate Share of the Net Pension Asset/(Liability)	59
SS4	Schedule of District’s Contributions	60
<b>III.</b>	<b>OTHER SUPPLEMENTARY INFORMATION</b>	
SS5	Schedule of Change from Adopted Budget to Final Budget – General Fund and and Section 1318 of Real Property Tax Law Limit Calculation	61
SS6	Schedule of Project Expenditures - Capital Projects Fund	62
SS7	Net Investment in Capital Assets	63
<b>IV.</b>	<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>	64 - 65
<b>V.</b>	<b>SINGLE AUDIT REPORT</b>	
	Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	66 - 68
9	Schedule of Expenditures of Federal Awards	69
10	Notes to the Schedule of Expenditures of Federal Awards	70
11	Schedule of Findings and Questioned Costs	71 - 72
12	Summary Schedule of Prior Audit Findings	73
13	Corrective Action Plan	74

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Eastchester Union Free School District

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Eastchester Union Free School District (the "District"), as of and for the year ended June 30, 2023, 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of changes in District's total other post-employment benefits liability and related ratios, schedule of District's proportionate share of the net pension asset/(liability), and schedule of District's contributions on pages 4–16 and 56–60 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

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

R.S. Abrams & Co., LLP  
Islandia, New York  
September 26, 2023

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023. This section is a summary of the District’s financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District’s financial statements, which immediately follow this section.

**1. FINANCIAL HIGHLIGHTS**

- The District’s total net deficit decreased by \$2.0 million or 3.57% to \$54.1 million at June 30, 2023.
- The District received \$1.6 million in federal and state grants to support instructional programs.
- Revenue from state sources increased by \$2.4 million or 24.80% from the prior year.
- Fund balance in the general fund increased by \$1.3 million or 12.12% from the prior year. This was due to an excess of revenues and other financing sources over expenditures and other financing uses based on the modified accrual basis of accounting.
- On January 26, 2023, the District issued a bond anticipation note for \$15,639,961 with a stated interest rate of 3.25%. The note matures on January 26, 2024, and includes a premium of \$58,493.
- New York State Law limits the amount of assigned and unassigned fund balance, excluding encumbrances and amounts designated for the subsequent year’s budget, which can be retained by the general fund up to 4.00% of the ensuing year’s budget. At the end of the current fiscal year, the District was within the statutory limit.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

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

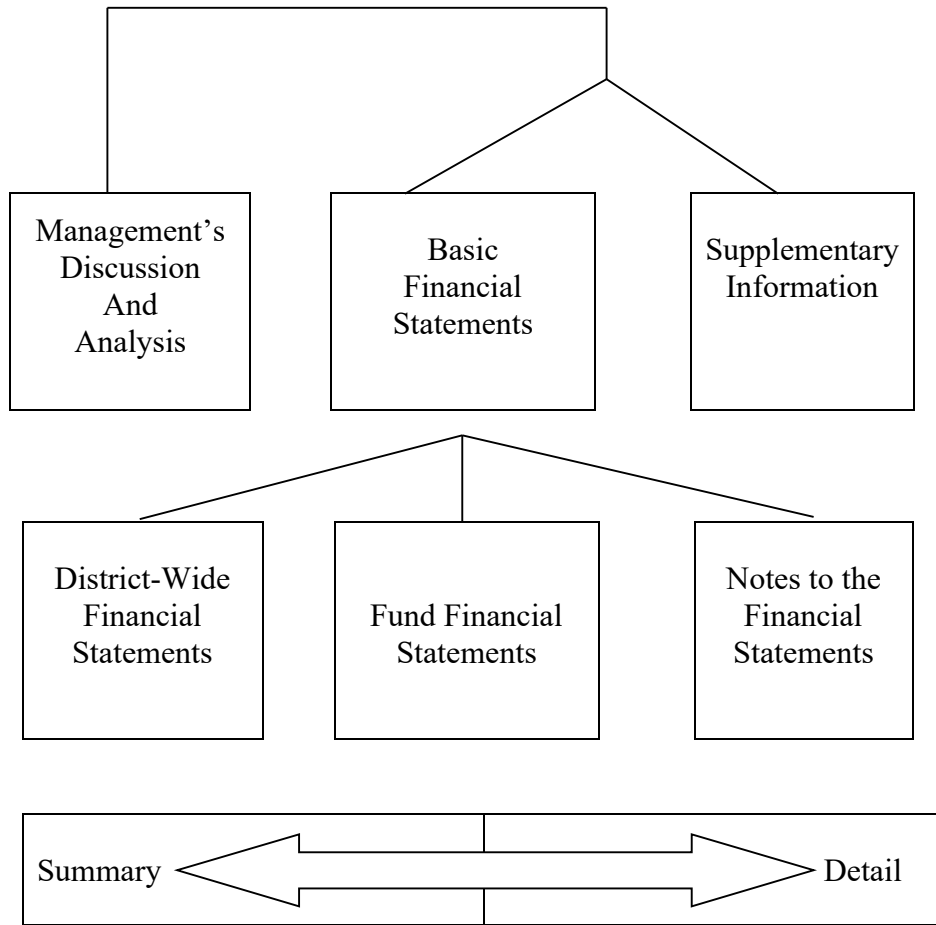
- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations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

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

of the District’s budget for the year. The following table shows how the various parts of this annual report are arranged and related to one another.

Organization of the District’s Annual Financial Report



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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 year or soon thereafter; no capital assets, intangible lease assets, or long-term liabilities included
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable

**A) District-Wide Financial Statements:**

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

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

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

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

**B) Fund Financial Statements:**

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

The District has one kind of fund:

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**A) Net Position:**

The District’s net deficit decreased by \$2,007,378 in the fiscal year ended June 30, 2023 as detailed in the table that follows.

Condensed Statement of Net Position

	2023	2022	Change	Percentage Change
Current assets	\$ 36,309,786	\$ 21,814,203	\$ 14,495,583	66.45%
Non-current assets	77,856,178	74,949,931	2,906,247	3.88%
Net pension asset	-	41,573,197	(41,573,197)	-100.00%
Total Assets	114,165,964	138,337,331	(24,171,367)	-17.47%
Deferred outflows of resources	52,391,620	44,254,637	8,136,983	18.39%
Total assets and deferred outflows of resources	166,557,584	182,591,968	(16,034,384)	-8.78%
Current liabilities	24,375,164	7,592,670	16,782,494	221.04%
Long-term liabilities	161,148,889	141,816,142	19,332,747	13.63%
Total Liabilities	185,524,053	149,408,812	36,115,241	24.17%
Deferred inflows of resources	35,182,637	89,339,640	(54,157,003)	-60.62%
Total liabilities and deferred inflows of resources	220,706,690	238,748,452	(18,041,762)	-7.56%
Net position (deficit)				
Net investment in capital assets	41,860,774	32,999,713	8,861,061	26.85%
Restricted	8,167,677	8,423,745	(256,068)	-3.04%
Unrestricted (deficit)	(104,177,557)	(97,579,942)	(6,597,615)	6.76%
Total Net Position (Deficit)	\$ (54,149,106)	\$ (56,156,484)	\$ 2,007,378	-3.57%

Current assets increased by \$14,495,583 from 2022 to 2023 due to an increase in cash and cash equivalents due to the issuance of a bond anticipation note and an increase in receivables.

Non-current assets (net of depreciation and amortization) increased by \$2,906,247 due to current year additions and outlay exceeding depreciation and amortization expense.

The District reported a decrease in the net pension asset - proportionate share for the teachers’ retirement system and employees’ retirement system of \$41,573,197 as a result of the actuarial valuation provided by the State. The change in deferred outflows of resources represents amortization of the pension related items and the change in the District’s contributions subsequent to the measurement date, as discussed in Note 12, changes in assumptions or other inputs for other post-employment benefits, as discussed in Note 14, as well as amortization on the deferred charges on refunding as discussed in Note 11.

Current liabilities increased by \$16,782,494, due to increases in bond anticipation note payable, accounts payable and due to teachers retirement system.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Long-term liabilities increased by \$19,332,747 as a result of changes in the actuarial valuations for the net pension liabilities and other post-employment benefits obligations. The changes in deferred inflows represent amortization of pension related items as discussed in Note 12, as well as deferred inflows related to the other post-employment benefits obligation as discussed in Note 14.

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

The restricted net position at June 30, 2023, relates to the District's reserve funds established for specific purposes. Restricted net position decreased by \$256,068 as a result of District usage exceeding contributions.

The unrestricted deficit increased by \$6,597,615 as a result of the activities shown below.

**B) Changes in Net Position:**

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the fiscal years ended June 30, 2023 and 2022 are as follows:

Change in Net Position from Operating Results

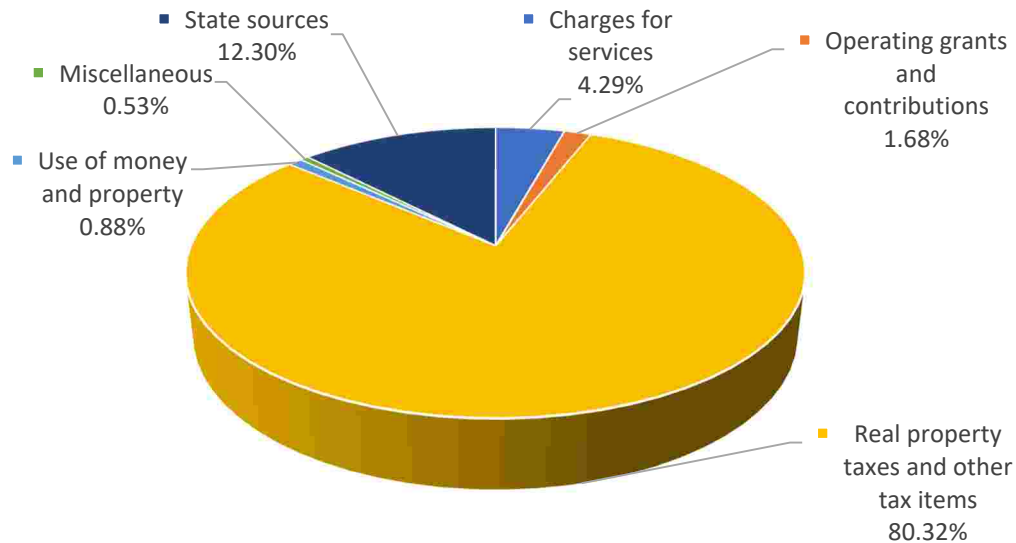
	2023	2022	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$ 4,340,814	\$ 3,945,775	\$ 395,039	10.01%
Operating grants and contributions	1,698,449	1,994,655	(296,206)	-14.85%
General Revenues				
Real property taxes and other tax items	81,314,758	79,844,153	1,470,605	1.84%
Use of money and property	887,293	61,306	825,987	1347.32%
Sale of property & compensation for loss	11,759	-	11,759	100.00%
Miscellaneous	536,180	513,142	23,038	4.49%
State sources	12,454,982	9,980,147	2,474,835	24.80%
Total Revenues	<u>101,244,235</u>	<u>96,339,178</u>	<u>4,905,057</u>	5.09%
Expenses				
General support	15,345,115	14,934,818	410,297	2.75%
Instruction	77,120,329	65,261,862	11,858,467	18.17%
Pupil transportation	4,445,969	3,618,170	827,799	22.88%
Food service program	1,264,006	904,904	359,102	39.68%
Debt service - interest	1,061,438	1,153,443	(92,005)	-7.98%
Total Expenses	<u>99,236,857</u>	<u>85,873,197</u>	<u>13,363,660</u>	15.56%
Total Change in Net Position	<u>\$ 2,007,378</u>	<u>\$ 10,465,981</u>	<u>\$ (8,458,603)</u>	-80.82%

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Real property taxes and other tax items and state sources accounted for 92.62% of the District’s total revenue. The remainder came from fees charged for services, operating grants and contributions, use of money and property, and other miscellaneous sources. Total revenues increased by \$4,905,057 or 5.09%, due to an increase in real property taxes and other tax items, use of money and property, charges for services and state sources.

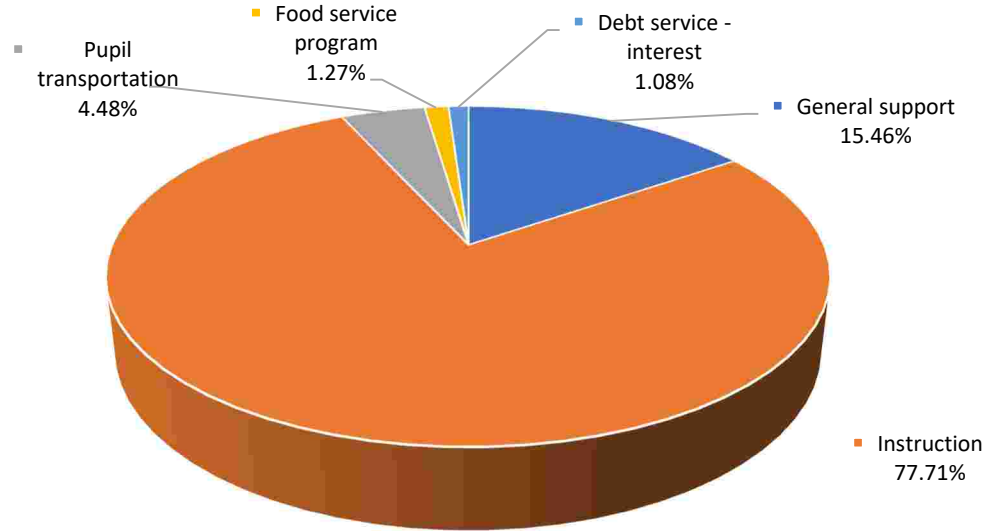
Instruction and general support accounted for 93.17% of the District’s expenses. Total expenses increased by \$13,363,660 or 15.56%, due to increases in instruction and pupil transportation expenses relating to changes in pension and OPEB related expenses based on the current year actuarial valuations.

Revenues for Fiscal Year 2023



**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Expenditures for Fiscal Year 2023



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

Variances between years for the Fund Financial Statements are not the same as variances between years for the District-Wide Financial Statements. The District’s governmental funds are presented on the **current financial resources measurement focus** and the **modified accrual basis of accounting**. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds’ projects and capital assets and intangible lease assets purchased and 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, 2023, the District’s combined governmental funds reported a total fund balance of \$12,177,040. 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, 2023**

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

	Fiscal Year 2023	Fiscal Year 2022	Increase/ (Decrease)	Total Percentage Change
<b>General Fund</b>				
Retirement contribution				
Employee retirement system	\$ 101,931	\$ 100,080	\$ 1,851	1.85%
Teachers' retirement system	784,872	770,616	14,256	1.85%
Restricted for property loss	57,157	56,119	1,038	1.85%
Restricted for liability	23,451	23,025	426	1.85%
Restricted tax certiorari	3,665,734	3,959,297	(293,563)	-7.41%
Restricted for employee benefit accrued liability	2,308,265	2,361,223	(52,958)	-2.24%
Assigned - subsequent year's tax levy	1,575,000	-	1,575,000	100.00%
Assigned - encumbrances	410,635	338,185	72,450	21.42%
Unassigned	3,918,737	3,848,319	70,418	1.83%
Total Fund Balance - General Fund	<u>\$ 12,845,782</u>	<u>\$ 11,456,864</u>	<u>\$ 1,388,918</u>	12.12%
<b>School Lunch Fund</b>				
Assigned - unappropriated	\$ 76,741	\$ 74,720	\$ 2,021	2.70%
Total - School Lunch Fund	<u>\$ 76,741</u>	<u>\$ 74,720</u>	<u>\$ 2,021</u>	2.70%
<b>Miscellaneous Special Revenue Fund</b>				
Restricted for scholarships and donations	\$ 573,129	\$ 558,740	\$ 14,389	2.58%
Assigned - unappropriated	235,208	208,635	26,573	12.74%
Total - Miscellaneous Special Revenue Fund	<u>\$ 808,337</u>	<u>\$ 767,375</u>	<u>\$ 40,962</u>	5.34%
<b>Capital Projects Fund</b>				
Unassigned	\$ (2,206,957)	\$ -	\$ (2,206,957)	100.00%
Assigned - unappropriated	-	1,593,550	(1,593,550)	-100.00%
Total - Capital Projects Fund	<u>\$ (2,206,957)</u>	<u>\$ 1,593,550</u>	<u>\$ (3,800,507)</u>	-238.49%
<b>Debt Service Fund</b>				
Restricted for debt service	\$ 653,138	\$ 594,645	\$ 58,493	9.84%
Total - Debt Service Fund	<u>\$ 653,138</u>	<u>\$ 594,645</u>	<u>\$ 58,493</u>	9.84%
 Total Fund Balance - All Funds	 <u>\$12,177,041</u>	 <u>\$14,487,154</u>	 <u>(\$2,310,113)</u>	 -15.95%

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**A) General Fund**

The net change in fund balance in the general fund is an increase of \$1,388,918 as a result of revenues and other financing sources of \$97,534,773 exceeding expenditures and other financing uses of \$96,145,855.

**B) School Lunch Fund**

The net change in fund balance in the school lunch fund is an increase of \$2,021 due to current year revenues exceeding food service costs.

**C) Miscellaneous Special Revenue Fund**

The net change in fund balance in the miscellaneous special revenue fund is an increase of \$40,962, due to revenues exceeding expenditures in the extraclassroom activity and scholarships and donations fund.

**E) Capital Projects Fund**

The net change in fund balance in the capital projects fund is a decrease of \$3,800,507. This decrease is due to capital outlay of \$5,900,507 exceeding general fund budgetary appropriation transfer of \$2,100,000.

**D) Debt Service Fund**

The net change in fund balance in the debt service fund is an increase of \$58,493 as a result of BAN premium on bond anticipation note issued in 2023.

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A) 2022-2023 Budget:**

The District's voter approved budget for the year ended June 30, 2023 was \$96,208,000. This amount was increased by prior year encumbrances carried forward into 2023 of \$338,185, an appropriation from reserves for payment of tax certiorari judgments in the amount of \$366,808, an appropriation from reserves for payment of compensated absences of \$96,642, and donations of \$68,718 resulting in a final budget of \$97,078,353. The majority of the funding was real property taxes and other tax items, budget totaling \$81,108,000.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

Opening, unassigned fund balance	\$ 3,848,319
Revenues and other financing sources over budget	1,258,055
Expenditures, other financing uses, and encumbrances under budget	521,863
Interest allocated to reserves	(134,500)
Assigned - appropriated for June 30, 2024	<u>(1,575,000)</u>
Closing, unassigned fund balance	<u>\$ 3,918,737</u>

The opening unassigned fund balance of \$3,848,319 is the June 30, 2022 unassigned fund balance.

The revenues and other financing sources over budget of \$1,258,055 were primarily in other tax items and use of money and property.

The expenditures, other financing uses, and encumbrances under budget of \$521,863 were primarily in instruction, employee benefits, and general support.

Interest of \$134,500 was allocated to the reserves in accordance with District policy.

The assigned-appropriated fund balance of \$1,575,000 for the June 30, 2024 budget is the amount the District has chosen to use to fund its operating budget for 2023-2024.

The District closed the 2022-2023 fiscal year with \$3,918,737 in unassigned fund balance. The District’s unassigned fund balance is in compliance with NYS Real Property Tax Law §1318. See Supplemental Schedule #5 for more details.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

The District paid for equipment, and various building additions and renovations during the year. A summary of the District’s net capital assets are as follows:

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

Category	2023	2022	Net Increase/ (Decrease)	Percentage Change
Land	\$ 365,200	\$ 365,200	\$ -	0.00%
Construction in Progress	7,176,116	1,275,609	5,900,507	462.56%
Buildings & Building Improvements	101,634,324	101,634,324	-	0.00%
Furniture & Equipment	2,474,608	2,344,279	130,329	5.56%
Land Improvements	1,339,893	1,329,143	10,750	0.81%
Vehicles	387,595	387,595	-	0.00%
Subtotal	<u>113,377,736</u>	<u>107,336,150</u>	<u>6,041,586</u>	5.63%
Less: Accumulated Depreciation	<u>35,711,842</u>	<u>32,781,437</u>	<u>2,930,405</u>	8.94%
Total Net Capital Assets	<u>\$ 77,665,894</u>	<u>\$ 74,554,713</u>	<u>\$ 3,111,181</u>	4.17%
Intangible Lease Assets, Net	<u>\$ 190,284</u>	<u>\$ 395,218</u>	<u>\$ (204,934)</u>	-51.85%

Depreciation expense was \$2,930,405 and amortization expense was \$204,934 for fiscal year ended June 30, 2023. See Note 8 to the financial statements for additional detail.

**B) Long-Term Debt:**

At June 30, 2023, the District had total long-term debt, including bonds payable net of unamortized premium, lease liability, and energy performance contract debt payable of \$36,665,331. The decrease in long-term debt represents scheduled principal payments and amortization expense. More detailed information about the District’s long-term debt is presented in Note 10 to the financial statements.

A summary of outstanding debt at June 30, 2023 and 2022 is as follows:

	2023	2022	Decrease
Bonds payable (net of unamortized premium)	\$ 33,960,788	\$ 37,701,455	\$ (3,740,667)
Lease liability	194,747	404,528	(209,781)
Energy performance contract debt payable	2,509,796	2,956,671	(446,875)
Total	<u>\$36,665,331</u>	<u>\$41,062,654</u>	<u>(\$4,397,323)</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

- A) The general fund budget for the 2023-24 school year in the amount of \$101,856,200 was approved by voters which is an increase of \$5.6 million or 5.8% over the 2022-2023 budget. The increase was primarily due to increases in regular classroom instruction, instructional media, pupil services, employee benefits and transfers to other funds.
- B) The NYS Legislature has introduced and approved a property tax cap beginning in the 2012-2013 school year. This bill limits tax levy growth to the lesser of two percent or the annual increase in the CPI. Limited exemptions to exceed the levy cap are provided for taxes needed to pay for voter-approved capital expenditures, pension rate increases, court orders and torts over five percent of the prior year's levy. If the tax levy proposed to the voters is within the District's tax levy cap, then a majority vote would be required for approval. If the proposed tax levy exceeds the District's tax levy cap, the threshold required for approval would be 60 percent of the vote.
- C) Future budgets may be negatively affected by certain trends impacting school districts. These factors include rising health care premiums, increased costs associated with meeting the requirements for instructional services and the property tax cap which will continue to impact the District's ability to fund its current cost of services.

**8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**ASSETS****Current assets**

Cash and cash equivalents	
Unrestricted	\$ 25,013,279
Restricted	7,067,316
Receivables	
Accounts receivable	9,543
State and federal aid	2,255,077
Due from other governments	1,964,571

**Non-current assets**

Capital assets	
Non-depreciable capital assets	7,541,316
Capital assets, net of accumulated depreciation	70,124,578
Intangible lease assets, net of accumulated amortization	190,284

**TOTAL ASSETS**

114,165,964

**DEFERRED OUTFLOWS OF RESOURCES**

Pensions	26,735,436
Other post-employment benefits obligation	25,433,257
Deferred amounts on refundings	222,927

**TOTAL DEFERRED OUTFLOWS OF RESOURCES**

52,391,620

**LIABILITIES**

Payables	
Accounts payable	2,430,963
Accrued liabilities	574,662
Due to other governments	44,992
Due to teachers' retirement system	4,880,780
Due to employees' retirement system	332,461
Compensated absences payable	52,970
Other liabilities	12,844
Accrued interest payable	242,419
Note payable	
Bond anticipation note payable	15,639,961
Unearned credits	
Collections in advance	163,112
Long-term liabilities	
Due and payable within one year	
Bonds payable, net of unamortized premium	2,553,864
Lease liability	192,139
Energy performance contract debt payable	464,304
Compensated absences payable	358,460
Due and payable after one year	
Bonds payable, net of unamortized premium	31,406,924
Lease liability	2,608
Energy performance contract debt payable	2,045,492
Compensated absences payable	6,152,342
Net pension liability-proportionate share-employees' retirement system	4,611,776
Net pension liability-proportionate share-teachers' retirement system	4,394,718
Total other post-employment benefits obligation	108,966,262

**TOTAL LIABILITIES**

185,524,053

**DEFERRED INFLOWS OF RESOURCES**

Pensions	2,110,412
Other post-employment benefits obligation	33,072,225

**TOTAL DEFERRED INFLOWS OF RESOURCES**

35,182,637

**NET POSITION**

Net investment in capital assets	<u>41,860,774</u>
Restricted:	
Retirement contribution	
Employee retirement system	101,931
Teachers' retirement system	784,872
Property loss reserve	57,157
Liability reserve	23,451
Tax certiorari reserve	3,665,734
Employee benefit accrued liability reserve	2,308,265
Debt service	653,138
Scholarships and donations	573,129
	<u>8,167,677</u>

Unrestricted (deficit)

(104,177,557)

**TOTAL NET POSITION (DEFICIT)**

\$ (54,149,106)

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FUNCTIONS / PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
General support	\$ (15,345,115)	\$ -	\$ -	\$ (15,345,115)
Instruction	(77,120,329)	3,085,377	1,698,449	(72,336,503)
Pupil transportation	(4,445,969)			(4,445,969)
Food service program	(1,264,006)	1,255,437		(8,569)
Debt service - interest	(1,061,438)			(1,061,438)
<b>TOTAL FUNCTIONS AND PROGRAMS</b>	<u>\$ (99,236,857)</u>	<u>\$ 4,340,814</u>	<u>\$ 1,698,449</u>	<u>\$ (93,197,594)</u>
<b>GENERAL REVENUES</b>				
Real property taxes				73,608,458
Other tax items - including STAR reimbursement				7,706,300
Use of money and property				887,293
Sale of property and compensation for loss				11,759
Miscellaneous				536,180
State sources				12,454,982
<b>TOTAL GENERAL REVENUES</b>				<u>95,204,972</u>
<b>CHANGE IN NET POSITION</b>				2,007,378
<b>TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR</b>				<u>(56,156,484)</u>
<b>TOTAL NET POSITION (DEFICIT) - END OF YEAR</b>				<u>\$ (54,149,106)</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents							
Unrestricted	\$ 10,105,381	\$ -	\$ 220,303	\$ 235,126	\$ 14,452,469	\$ -	\$ 25,013,279
Restricted	6,941,410			125,906			7,067,316
Receivables							
Accounts receivable	9,543						9,543
State and federal aid	1,117,385	1,055,618			82,074		2,255,077
Due from other governments	1,958,856	5,715					1,964,571
Due from other funds	1,026,050			449,059	440,127	653,138	2,568,374
<b>TOTAL ASSETS</b>	<u>\$ 21,158,625</u>	<u>\$ 1,061,333</u>	<u>\$ 220,303</u>	<u>\$ 810,091</u>	<u>\$ 14,974,670</u>	<u>\$ 653,138</u>	<u>\$ 38,878,160</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Payables							
Accounts payable	\$ 1,247,457	\$ 19,593	\$ 90,719	\$ 1,754	\$ 1,071,440	\$ -	\$ 2,430,963
Accrued liabilities	558,972	15,690					574,662
Due to other governments	44,272		720				44,992
Due to other funds	1,072,098	1,026,050			470,226		2,568,374
Due to teachers' retirement system	4,880,780						4,880,780
Due to employees' retirement system	332,461						332,461
Compensated absences payable	52,970						52,970
Other liabilities	12,844						12,844
Note payable							
Bond anticipation note payable					15,639,961		15,639,961
Unearned credits							
Collections in advance	110,989		52,123				163,112
<b>TOTAL LIABILITIES</b>	<u>8,312,843</u>	<u>1,061,333</u>	<u>143,562</u>	<u>1,754</u>	<u>17,181,627</u>	<u>-</u>	<u>26,701,119</u>
<b>FUND BALANCES</b>							
Restricted:							
Retirement contribution							
Employee retirement system	101,931						101,931
Teachers' retirement system	784,872						784,872
Property loss reserve	57,157						57,157
Liability reserve	23,451						23,451
Tax certiorari reserve	3,665,734						3,665,734
Employee benefit accrued liability reserve	2,308,265						2,308,265
Debt service						653,138	653,138
Scholarships and donations				573,129			573,129
Assigned:							
Appropriated fund balance	1,575,000						1,575,000
Unappropriated fund balance	410,635		76,741	235,208			722,584
Unassigned							
Unassigned fund balance (deficit)	3,918,737				(2,206,957)		1,711,780
<b>TOTAL FUND BALANCES</b>	<u>12,845,782</u>	<u>-</u>	<u>76,741</u>	<u>808,337</u>	<u>(2,206,957)</u>	<u>653,138</u>	<u>12,177,041</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 21,158,625</u>	<u>\$ 1,061,333</u>	<u>\$ 220,303</u>	<u>\$ 810,091</u>	<u>\$ 14,974,670</u>	<u>\$ 653,138</u>	<u>\$ 38,878,160</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2023**

Total Governmental Fund Balances \$ 12,177,041

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

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

Original cost of capital assets	\$ 113,377,736	
Accumulated depreciation	<u>(35,711,842)</u>	77,665,894

The present value cost of leasing capital assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those intangible leased capital 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 leased assets	\$ 596,932	
Accumulated amortization	<u>(406,648)</u>	190,284

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 related to pensions that will be recognized as expenditures in future periods amounted to 26,735,436

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 related to other post-employment benefits obligations that will be recognized as expenditures in future periods amounted to 25,433,257

Deferred outflows of resources - Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. At year end the District had deferred charges on bond refunding which amounted to 222,927

Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to long-term liabilities at year end consisted of:

Accrued interest on bonds and energy performance contract debt.	(242,419)
---	-----------

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, net of unamortized premium	\$ (33,960,788)	
Lease liability	(194,747)	
Energy performance contract debt payable	(2,509,796)	
Compensated absences payable	(6,510,802)	
Net pension liability-proportionate share-employees' retirement system	(4,611,776)	
Net pension liability-proportionate share-teachers' retirement system	(4,394,718)	
Total other post-employment benefits obligation	<u>(108,966,262)</u>	(161,148,889)

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 related to pensions that will be recognized as a reduction in pension expense in future periods amounted to (2,110,412)

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 related to other post-employment benefit obligations that will be recognized as a reduction in expense in future periods amounted to (33,072,225)

Total Net Position \$ (54,149,106)

**EASTCHESTER UNION FREE SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
<b>REVENUES</b>							
Real property taxes	\$ 73,608,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,608,458
Other tax items - including STAR	7,706,300						7,706,300
Charges for services	2,392,355			693,022			3,085,377
Use of money and property	884,099		3,194				887,293
Sale of property and compensation for loss	11,759						11,759
Miscellaneous	476,619		1,068	57,374			535,061
State sources	12,454,982	462,411					12,917,393
Federal sources		1,178,664					1,178,664
Sales			1,255,437				1,255,437
<b>TOTAL REVENUES</b>	<u>97,534,572</u>	<u>1,641,075</u>	<u>1,259,699</u>	<u>750,396</u>	<u>-</u>	<u>-</u>	<u>101,185,742</u>
<b>EXPENDITURES</b>							
General support	11,077,786						11,077,786
Instruction	52,440,148	1,678,872		709,434			54,828,454
Pupil transportation	4,218,622	50,930					4,269,552
Employee benefits	20,918,799	70,899					20,989,698
Debt service - principal	4,026,875						4,026,875
Debt service - interest	1,203,798						1,203,798
Cost of sales			1,257,678				1,257,678
Capital outlay					5,900,507		5,900,507
<b>TOTAL EXPENDITURES</b>	<u>93,886,028</u>	<u>1,800,701</u>	<u>1,257,678</u>	<u>709,434</u>	<u>5,900,507</u>	<u>-</u>	<u>103,554,348</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>3,648,544</u>	<u>(159,626)</u>	<u>2,021</u>	<u>40,962</u>	<u>(5,900,507)</u>	<u>-</u>	<u>(2,368,606)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>							
Premiums on obligations						58,493	58,493
Operating transfers in	201	159,827			2,100,000		2,260,028
Operating transfers (out)	(2,259,827)	(201)					(2,260,028)
<b>TOTAL OTHER FINANCING SOURCES AND (USES)</b>	<u>(2,259,626)</u>	<u>159,626</u>	<u>-</u>	<u>-</u>	<u>2,100,000</u>	<u>58,493</u>	<u>58,493</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,388,918	-	2,021	40,962	(3,800,507)	58,493	(2,310,113)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	11,456,864	-	74,720	767,375	1,593,550	594,645	14,487,154
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 12,845,782</u>	<u>\$ -</u>	<u>\$ 76,741</u>	<u>\$ 808,337</u>	<u>\$ (2,206,957)</u>	<u>\$ 653,138</u>	<u>\$ 12,177,041</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances \$ (2,310,113)

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

Long-Term Revenue and Expense Differences

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

Increase in compensated absences payable (779,820)

Changes in the proportionate share of net pension asset/liability, and 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	\$ (832,477)	
Teachers' retirement system	(1,264,074)	
Other post-employment benefits	<u>(91,401)</u>	(2,187,952)

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 are expensed as incurred on the Statement of Activities:

Capital outlays	\$ 6,041,586	
Depreciation expense	<u>(2,930,405)</u>	3,111,181

Capital outlays to lease capital assets are reported in 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:

Amortization expense	<u>\$ (204,934)</u>	(204,934)
----------------------	---------------------	-----------

Long-Term Debt Transaction Differences

Premiums and discounts on debt issuances and deferred amounts from debt refundings are recognized when incurred on the governmental fund 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 year was 119,158

Repayment of a bond principal is an expenditure in the governmental funds, but reduces bonds payable on the Statement of Net Position and does not affect the Statement of Activities. 3,580,000

Repayment of energy performance contract debt payable is reported as an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 446,875

Repayment of lease obligations principal is reported as an expenditure in the governmental funds, but reduces long-term lease liability in the Statement of Net Position and does not affect the Statement of Activities. 209,781

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 Statements of Activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest changed by: 23,202

Change in Net Position \$ 2,007,378

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

**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 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

**B) Joint Venture:**

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

BOCES is organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of the BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

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

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. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

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

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

**Debt Service Fund:** This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

**D) Measurement Focus and Basis of Accounting:**

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on bonds payable, lease liability, energy performance contract debt payable, compensated absences payable, pension costs, other post-employment benefits and claims and judgments which are recognized as expenditures to the extent they have matured. Capital asset and intangible lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions of leases with terms greater than one year are reported as other financing sources.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

**E) Real Property Taxes:**

Calendar

Real property taxes are levied annually by the Board of Education no later than September 1<sup>st</sup> and became a lien on August 2, 2022. Taxes were billed and collected by the Town of Eastchester in two installments. The first installment was due September 1, 2022 and the second installment was due January 1, 2023.

Enforcement

The Town of Eastchester 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 these Notes.

**G) Interfund Transactions:**

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

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

The governmental funds report all inter-fund transactions as originally recorded. Inter-fund receivables and payables may be netted on the accompanying governmental funds 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 Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

**H) Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenditures/expenses during the reporting period. Actual

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

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 liability, pension asset/liability, total other post-employment benefits obligation and potential contingent liabilities.

**I) Cash and Cash Equivalents:**

The District’s cash and cash equivalents consist of cash on hand, and demand deposits.

**J) Receivables:**

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

**K) Capital Assets:**

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

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

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

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District’s policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2023, the District has not recorded any such impairment losses.

**L) Intangible Lease Assets:**

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

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

**M) Deferred Outflows and Inflows of Resources:**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. These amounts are related to deferred amounts on refundings, pensions, and other post-employment benefits liability, reported in the District-Wide Statement of Net Position, and are detailed further in Notes 11, 12 and 14, respectively.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reported deferred inflows of resources related to pensions and OPEB reported in the District-Wide Statement of Net Position and are detailed further in Notes 12 and 14.

**N) Short-Term Debt:**

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

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

On January 26, 2023, the District issued and had outstanding at year end, BANs totaling \$15,639,961. The BAN has a stated interest rate of 3.25% per annum and matures on January 26, 2024. The District received \$58,493 in premiums related to the issuance of debt. There was no short-term debt outstanding for the fiscal year ended June 30, 2022. Short-term financing will be used to fund ongoing capital projects.

**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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

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

Collections in advance at June 30, 2023, consisted of health insurance in the amount of \$110,989 in the general fund and student prepaid meals in the amount of \$52,123 in the school lunch fund.

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

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

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

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

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

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

**Q) Other Benefits:**

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

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 Financials Statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**R) Long-Term Debt:**

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

In the fund financial statements, governmental funds recognize bond premiums during the current period, with the face amount of debt issued reported as other financing sources. Premiums received on long-term debt issuances are reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

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

**S) Equity Classifications:**

District-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

**Nonspendable fund balance** includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The District has no nonspendable fund balance in the governmental funds as of June 30, 2023.

**Restricted fund balance** includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has classified the following reserves as restricted:

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

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

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

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

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

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

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

Committed fund balance - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, (i.e., the Board). The District has no committed fund balances as of June 30, 2023.

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

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

The capital projects fund has a deficit unassigned fund balance of \$2,206,957. The deficit in the capital projects fund is the result of the District not obtaining permanent financing on capital improvement projects. The deficit unassigned fund balance should be eliminated once permanent financing is obtained by the District.

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

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

The Board shall designate the authority to assign fund balances, 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.

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

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

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

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

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

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

Long-term revenue and expense differences:

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

Capital related differences:

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

Long-term debt transaction differences:

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

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:**

**A) Budgets:**

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

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

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

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

**B) Encumbrances:**

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

**NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:**

**A) Cash and Cash Equivalents:**

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

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

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

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

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

**B) Restricted Cash and Cash Equivalents:**

Restricted cash and equivalents represent cash and cash equivalents where use is limited by the legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2023 included \$7,067,316 within the governmental funds for general reserves and scholarships and donations purposes.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

**C) Investments:**

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

**D) Investment Pool:**

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, 2023, the District held \$20,325,081 in investments consisting of various investments in securities issued by the United States and its agencies.

Total investments of the cooperative at June 30, 2023, are \$7,403,046,276, which consisted of \$2,530,081,947 in repurchase agreements, and \$4,872,964,329 in U.S. Treasury Securities in U.S. Government Guaranteed Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2023 are \$1,068,621,853.

Fund	Bank Balance	Carrying Amount
General Fund	\$ 15,710,021	\$ 15,710,021
Capital Projects Fund	4,615,060	4,615,060
	\$ 20,325,081	\$ 20,325,081

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

**NOTE 5 – PARTICIPATION IN BOCES:**

During the fiscal year ended June 30, 2023, the District was billed \$4,747,732 for BOCES administrative and program costs. The District’s share of BOCES aid amounted to \$1,776,777. Financial statements for the BOCES of Southern Westchester are available from their administrative office at 17 Berkley Drive, Rye Brook, NY 10573.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

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

State and federal aid receivables at June 30, 2023 consisted of the following:

General Fund	
BOCES aid	\$ 886,763
Excess cost aid	<u>230,622</u>
Total General Fund	<u>\$ 1,117,385</u>
Special Aid Fund	
Federal grants	\$ 940,005
State grants	<u>115,613</u>
Total Special Aid Fund	<u>\$ 1,055,618</u>
Capital Projects Fund	
State grants	<u>\$ 82,074</u>
Total	<u><u>\$ 2,255,077</u></u>

District management has deemed these receivables as fully collectible.

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

Due from other governments at June 30, 2023 consisted of the following:

General Fund	
Westchester county sales tax	\$ 475,000
Tuition and health service billings	<u>1,483,856</u>
Total General Fund	<u>1,958,856</u>
Special Aid Fund	
Tuition and health services	<u>5,715</u>
Total Special Aid Fund	<u>5,715</u>
Total	<u><u>\$ 1,964,571</u></u>

District management has deemed these receivables as fully collectible.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

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

**A) Capital Assets**

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 365,200			\$ 365,200
Construction in progress	1,275,609	\$ 5,900,507		7,176,116
Total capital assets not be depreciated	<u>1,640,809</u>	<u>5,900,507</u>	-	<u>7,541,316</u>
Capital assets being depreciated				
Buildings and building improvements	101,634,324			101,634,324
Furniture and equipment	2,344,279	130,329		2,474,608
Land improvement	1,329,143	10,750		1,339,893
Vehicles	387,595			387,595
Total depreciable historical cost	<u>105,695,341</u>	<u>141,079</u>	-	<u>105,836,420</u>
Accumulated depreciation				
Buildings and building improvements	29,828,744	2,691,106		32,519,850
Furniture and equipment	1,509,973	183,862		1,693,835
Land improvement	1,214,328	27,366		1,241,694
Vehicles	228,392	28,071		256,463
Total accumulated depreciation	<u>32,781,437</u>	<u>2,930,405</u>	-	<u>35,711,842</u>
Total capital assets being depreciated, net	<u>72,913,904</u>	<u>(2,789,326)</u>	-	<u>70,124,578</u>
Total capital assets, net	<u>\$ 74,554,713</u>	<u>\$ 3,111,181</u>	<u>\$ -</u>	<u>\$ 77,665,894</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 2,291,044
Instruction	633,033
Food service program	<u>6,328</u>
Total	<u>\$ 2,930,405</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

**B) Intangible Lease Assets**

The following schedule summarizes the District’s intangible lease asset activity for the fiscal year ended June 30, 2023 :

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Intangible lease assets				
Furniture & equipment	\$ 596,932	\$ -	\$ -	\$ 596,932
Total intangible lease assets being amortized	596,932	-	-	596,932
Less accumulated amortization:				
Furniture & equipment	201,714	204,934	-	406,648
Total accumulated amortization	201,714	204,934	-	406,648
 Total intangible lease assets, net	 \$ 395,218	 \$ (204,934)	 \$ -	 \$ 190,284

Amortization expense of \$204,934 was charged to the governmental functions as general support.

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 1,026,050	\$ 1,072,098	\$ 201	\$ 2,259,827
Special aid fund		1,026,050	159,827	201
Miscellaneous special revenue fund	449,059			
Capital projects fund	440,127	470,226	2,100,000	
Debt service fund	653,138			
 Total	 \$ 2,568,374	 \$ 2,568,374	 \$ 2,260,028	 \$ 2,260,028

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. The District transferred monies from the special aid fund to the general fund for reimbursement to the general fund for costs for summer program for students with disabilities. The District typically transfers from the general fund to the capital projects fund to finance capital construction 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, 2023**

**NOTE 10 – LONG-TERM LIABILITIES:**

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due within one year
<b>Bonds payable</b>					
Tax certiorari bonds	\$ 1,152,000	\$ -	\$ (705,000)	\$ 447,000	\$ 337,000
Construction bonds	35,203,000		(2,875,000)	32,328,000	2,088,000
Total bonds payable	36,355,000	-	(3,580,000)	32,775,000	2,425,000
Premium on refunding	1,346,455		(160,667)	1,185,788	128,864
Total bonds payable (including premiums)	37,701,455	-	(3,740,667)	33,960,788	2,553,864
<b>Other liabilities</b>					
Lease liability	404,528		(209,781)	194,747	192,139
Energy performance contract debt payable	2,956,671		(446,875)	2,509,796	464,304
Compensated absences payable	5,730,982	1,193,427	(413,607)	6,510,802	358,460
Net pension liability - proportionate share - ERS	-	4,611,776		4,611,776	
Net pension liability - proportionate share - TRS	-	4,394,718		4,394,718	
Total other post-employment benefits	95,022,506	19,591,423	(5,647,667)	108,966,262	
Total long-term liabilities	<u>\$ 141,816,142</u>	<u>\$ 29,791,344</u>	<u>\$ (10,458,597)</u>	<u>\$ 161,148,889</u>	<u>\$ 3,568,767</u>

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 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, 2023
Serial Bonds - Construction	2014	2029	2-3%	\$ 898,000
Serial Bonds - Tax Certiorari	2014	2024	2-2.5%	232,000
Serial Bonds - Tax Certiorari	2015	2025	2.125-3.25%	215,000
Series B - Refunded	2016	2028	1-4%	1,360,000
Serial Bonds - Construction	2018	2039	1.59%-3.5%	22,970,000
Serial Bonds - Refunded	2020	2032	4%	1,335,000
Serial Bonds - MS Refunded	2021	2034	1-4%	5,765,000
				<u>\$ 32,775,000</u>
<u>Summary by Description of Issue</u>				
Total Tax Certiorari				\$ 447,000
Total Construction				32,328,000
				<u>\$ 32,775,000</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 2,425,000	\$ 1,032,456	\$ 3,457,456
2025	2,265,000	952,775	3,217,775
2026	2,235,000	875,813	3,110,813
2027	2,305,000	799,288	3,104,288
2028	2,385,000	720,413	3,105,413
2029-2033	10,675,000	2,512,090	13,187,090
2034-2038	8,850,000	1,001,856	9,851,856
2039	1,635,000	28,613	1,663,613
	<u>\$ 32,775,000</u>	<u>\$ 7,923,304</u>	<u>\$ 40,698,304</u>

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

**B) Lease Liability**

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

Principal and interest expense paid on the District's lease liability amounted to \$209,781 and \$4,674, respectively, for the fiscal year ended June 30, 2023.

The following is a summary of the principal and interest requirements to maturity for the District's leases:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 192,139	\$ 1,577	\$ 193,716
2025	2,608	12	2,620
	<u>\$ 194,747</u>	<u>\$ 1,589</u>	<u>\$ 196,336</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

**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, 2023
Energy performance contract debt payable	6/15/2012	6/15/2028	2.203%	<u>\$ 2,509,796</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
2024	\$ 464,304	\$ 55,291	\$ 519,595
2025	482,411	45,062	527,473
2026	501,225	34,435	535,660
2027	520,773	23,393	544,166
2028	541,083	11,920	553,003
	<u>\$ 2,509,796</u>	<u>\$ 170,101</u>	<u>\$ 2,679,897</u>

**D) Long-Term Interest**

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

	Total
Interest paid	\$ 1,203,798
Less interest accrued in the prior year	(265,621)
Plus interest accrued in the current year	242,419
Less amortization of premiums, and deferred amounts on bond refunding	<u>(119,158)</u>
Total expense	<u>\$ 1,061,438</u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

**NOTE 11 – DEFERRED OUTFLOWS OF RESOURCES – DEFERRED AMOUNTS ON REFUNDINGS:**

The deferred amounts pertaining to the 2010, 2016, and the 2021 bonds refunded, as recorded in the District-Wide Financial Statements as deferred outflows of resources at June 30, 2023 consisted of the following:

	<u>2010 Refunding</u>	<u>2016 Refunding</u>	<u>2021 Refunding</u>	<u>Total</u>
Deferred amounts	\$40,189	\$224,691	\$171,330	\$436,210
Accumulated amortization	(40,189)	(145,559)	(27,535)	(213,283)
Net deferred amounts on defeasance	<u>\$0</u>	<u>\$79,132</u>	<u>\$143,795</u>	<u>\$222,927</u>

Deferred amounts on refundings are being amortized on the District-Wide Financial Statements using the straight-line method over the remaining life of the bonds, the time to maturity of the refunding bonds, at the point of refunding, and is recorded as an increase to interest expense on the District-Wide Statement of Activities. Amortization for the fiscal year ended June 30, 2023 was \$41,509.

**NOTE 12 – PENSION PLANS:**

**A) Provisions and Administration:**

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

was established to hold all new assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP) which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire](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, 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, 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, 2023, ranged from 8.20% to 13.00% of covered payroll.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

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, 2023, was 10.29% of covered payroll.

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

Year	NYSERS	NYSTRS
2023	\$ 867,160	\$ 4,374,198
2022	\$ 881,646	\$ 3,976,569
2021	\$ 945,711	\$ 3,730,087

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

At June 30, 2023, 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, 2023 for ERS and June 30, 2022 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation with update procedures used to roll forward the total pension assets/(liability). The District's proportion of the net pension asset/(liability) was based on a 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, 2023	June 30, 2022
Net pension asset/(liability)	\$ (4,611,776)	\$ (4,394,718)
District's portion of the Plan's total net pension asset/(liability)	0.0215061%	0.229024%
Change in proportion since the prior measurement date	0.0017845%	-0.001578%

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$1,705,309 for ERS and \$5,635,848 for TRS. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<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	\$ 491,190	\$ 4,605,108	\$ 129,516	\$ 88,062
Net difference between projected and actual earnings on pension plan investments		5,678,392	27,094	
Changes of assumptions	2,239,776	8,525,009	24,754	1,770,317
Changes in proportion and differences between the District's contributions and proportionate share of contributions	228,687	260,615	18,836	51,833
District's contributions subsequent to the measurement date	332,461	4,374,198		
	<u>\$ 3,292,114</u>	<u>\$ 23,443,322</u>	<u>\$ 200,200</u>	<u>\$ 1,910,212</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, 2023. 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:		
2023		\$ 3,328,179
2024	\$ 678,864	1,765,321
2025	(190,065)	(682,681)
2026	986,920	11,212,073
2027	1,283,734	1,460,182
Thereafter	-	75,838
	<u>\$ 2,759,453</u>	<u>\$ 17,158,912</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, 2023**

The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Investment rate of return (net of pension plan investment expense, including inflation)	5.90%	6.95%
Salary increases	4.40%	1.95% - 5.18%
Cost of Living Adjustments	1.5% annually	1.3% annually
Decrement	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	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 the 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, 2022 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, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

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

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2023		June 30, 2022	
	<u>Target</u>	<u>Long-term</u>	<u>Target</u>	<u>Long-term</u>
<u>Asset type</u>	<u>Allocation</u>	<u>expected real</u>	<u>Allocation</u>	<u>expected real</u>
		<u>of return</u>		<u>rate of return</u>
Domestic equity	32%	4.30%	33%	6.5%
International equity	15%	6.85%	16%	7.2%
Global equity			4%	6.9%
Private equity	10%	7.50%	8%	9.9%
Real estate	9%	4.60%	11%	6.2%
Opportunistic/ absolute return strategy	3%	5.38%		
Real assets	3%	5.84%		
Credit	4%	5.43%		
Cash	1%	0.00%		
Fixed income	23%	1.50%	16%	1.1%
Global bonds			2%	0.6%
High-yield bonds			1%	3.3%
Private debt			2%	5.3%
Real estate debt			6%	2.4%
Cash equivalents			1%	-0.3%
	100%		100%	

The expected real rate of return is net of the long-term inflation assumptions of 2.50% 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, 2023**

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

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

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
<u>ERS</u>			
District’s proportionate share of the net pension asset/(liability)	\$ (11,144,684)	\$ (4,611,776)	\$ 847,229
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
<u>TRS</u>			
District’s proportionate share of the net pension asset/(liability)	\$ (40,521,357)	\$ (4,394,718)	\$ 25,987,549

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Employers' total pension liability	\$ (232,627,259)	\$ (133,883,474)
Plan fiduciary net position	211,183,223	131,964,582
Employers' net pension liability	\$ (21,444,036)	\$ (1,918,892)
Ratio of plan fiduciary net position to the		
Employers' total pension liability	90.78%	98.57%

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, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$332,461.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid deduction and remittance to TRS. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 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, 2023 amounted to \$4,880,780.

**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, 2023, totaled \$0 and \$2,756,154, respectively.

**B) Deferred Compensation Plan:**

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the fiscal year ended June 30, 2023 totaled \$454,875.

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

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

Plan Description

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

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 100% of premiums for retirees, and 0% to 100% of the premiums for surviving spouses and dependents, depending on the coverage selected and date of retirement. The District recognizes the cost of the Plan annually as expenditures in the fund financial statements as payments are accrued. For measurement period ending June 30, 2023, the District contributed an estimated \$2,603,032 to the

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

Plan, including \$2,603,032 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the “pay as you go” method.

Employees Covered by Benefit Terms

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

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

**B) Total OPEB Liability:**

The District’s total OPEB liability of \$108,966,262 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

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

Inflation	2.40%
Discount rate	3.65%
Healthcare cost trend rates	5.30% decreasing to 4.10% over 55 years
Salary scale	2.40%
Retirees' share of benefit-related costs	0% to 50% of health insurance premiums for individuals, 0% to 65% of premiums for family coverage, and 100% of surviving spouse coverage

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

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

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

**C) Changes in the Total OPEB Liability:**

Balance at June 30, 2022	\$ 95,022,506
Changes for the fiscal year:	
Service cost	3,607,130
Interest	3,445,816
Effect of plan changes	(2,289,286)
Changes in demographic gains or losses	(755,349)
Changes in assumptions or other inputs	12,538,477
Benefit payments	(2,603,032)
Net changes	13,943,756
Balance at June 30, 2023	\$ 108,966,262

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs from June 30, 2022 to June 30, 2023 include the change in discount rate from 3.54% to 3.65% and healthcare cost trend rates remained the same.

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

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 128,197,169	\$ 108,966,262	\$ 93,597,071

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

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

	1% Decrease (4.30% decreasing to 3.10%)	Healthcare Cost Trend Rates (5.30% decreasing to 4.10%)	1% Increase (6.30% decreasing to 5.10%)
Total OPEB liability	<u>\$ 90,742,046</u>	<u>\$ 108,966,262</u>	<u>\$ 132,721,623</u>

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$2,694,433. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 9,424,531
Changes of assumptions or other inputs	<u>25,433,257</u>	<u>23,647,694</u>
	<u>\$ 25,433,257</u>	<u>\$ 33,072,225</u>

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

Fiscal Year ended June 30:	
2024	\$ (2,069,227)
2025	(2,069,227)
2026	(2,069,227)
2027	(793,462)
2028	(1,169,974)
Thereafter	532,149
	<u>\$ (7,638,968)</u>

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

The amount of \$1,575,000 has been appropriated to reduce taxes for the year ending June 30, 2024.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL ENDED YEAR JUNE 30, 2023**

**NOTE 16 – RISK MANAGEMENT:**

**A) General Information:**

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

**B) Pool, Risk Sharing:**

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

The District participates in the Southern Westchester Cooperative Workers' Compensation Self-Insurance Plan (the Workers' Compensation Plan), a risk-sharing pool, to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to administer claims, finance liability and manage risks related to workers' compensation claims. The District pays an annual assessment determined by the Plan's Board of Trustees. In the event that the Plan has insufficient funds to meet its obligations, the Plan's Board of Trustees may issue supplemental assessments to the Plan's members. Plan members who withdraw or are terminated from the Plan's membership will assume responsibilities for all open and unpaid claims associated with them. As of June 30, 2023, the discounted Workers' Compensation Plan's total liability for unbilled and open claims was \$21,071,681 at a 2.0% discount rate. The Workers' Compensation Plan has assets of \$27,183,360 as of June 30, 2022, to pay these liabilities. The total assets as of June 30, 2023 were not available at the time of the report. The District's contribution to the Plan was \$342,849.

**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, 2023**

**NOTE 17 - COMMITMENTS AND CONTINGENCIES:**

**A) Encumbrances:**

All encumbrances are classified as assigned fund balance. At June 30, 2023, the District had encumbered the following amounts:

Assigned: Unappropriated Fund Balance

General fund for:

General support	\$ 251,807
Instruction	<u>158,828</u>
Total general fund	<u>\$ 410,635</u>

**B) Grants:**

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

**C) Litigation:**

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

**NOTE 18 – SUBSEQUENT EVENTS:**

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through the date of this report 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, 2023**

	<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	\$ 73,608,460	\$ 73,608,460	\$ 73,608,458	\$ (2)
Other tax items	7,499,540	7,499,540	7,706,300	206,760
Charges for services	2,250,000	2,250,000	2,392,355	142,355
Use of money and property	60,000	60,000	884,099	824,099
Sales of property and compensation for loss	-	-	11,759	11,759
Miscellaneous	300,000	368,718	476,619	107,901
State sources				
Basic formula	7,295,626	7,295,626	7,289,900	(5,726)
Excess cost aid	1,049,779	1,049,779	944,270	(105,509)
Lottery aid	2,084,479	2,084,479	2,084,479	-
BOCES aid	1,776,777	1,776,777	1,776,777	-
Tuition aid	-	-	-	-
Textbook aid	189,604	189,604	189,604	-
Computer software aid	50,663	50,663	50,663	-
Computer hardware aid	21,935	21,935	21,935	-
Library A/V loan program aid	21,137	21,137	21,137	-
Other state aid	-	-	76,217	76,217
<b>TOTAL REVENUES</b>	<u>96,208,000</u>	<u>96,276,718</u>	<u>97,534,572</u>	<u>1,257,854</u>
Other financing sources				
Transfers from other funds	-	-	201	201
<b>TOTAL REVENUES AND FINANCING OTHER SOURCES</b>	<u>96,208,000</u>	<u>96,276,718</u>	<u>\$ 97,534,773</u>	<u>\$ 1,258,055</u>
Appropriated reserves	<u>338,185</u>	<u>801,635</u>		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES &amp; APPROPRIATED FUND BALANCE</b>	<u>\$ 96,546,185</u>	<u>\$ 97,078,353</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, 2023**

	<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	\$ 103,000	\$ 71,299	\$ 70,747		\$ 552
Central administration	369,400	369,817	368,838	\$ 403	576
Finance	766,893	740,130	735,458		4,672
Staff	724,507	808,890	805,226		3,664
Central services	7,781,896	7,890,165	7,575,620	251,404	63,141
Special items	1,150,720	1,524,728	1,521,897		2,831
<b>Total General Support</b>	<u>10,896,416</u>	<u>11,405,029</u>	<u>11,077,786</u>	<u>251,807</u>	<u>75,436</u>
Instruction					
Instruction, adm. & imp.	4,084,445	3,991,935	3,975,369		16,566
Teaching - regular school	26,881,678	27,300,510	27,189,984	79,528	30,998
Programs for children with handicapping conditions	13,029,075	13,161,934	13,060,261		101,673
Occupational education	826,512	798,676	798,675		1
Teaching special schools	28,750	28,750	28,658		92
Instructional media	2,892,225	2,494,989	2,426,566		68,423
Pupil services	4,854,902	5,101,139	4,960,635	79,300	61,204
<b>Total Instruction</b>	<u>52,597,587</u>	<u>52,877,933</u>	<u>52,440,148</u>	<u>158,828</u>	<u>278,957</u>
Pupil transportation	3,908,892	4,266,062	4,218,622	-	47,440
Employee benefits	21,612,616	21,038,655	20,918,799	-	119,856
Debt service					
Debt service principal	4,026,875	4,026,875	4,026,875		-
Debt service interest	1,203,799	1,203,799	1,203,798		1
<b>Total Debt Service</b>	<u>5,230,674</u>	<u>5,230,674</u>	<u>5,230,673</u>	<u>-</u>	<u>1</u>
<b>TOTAL EXPENDITURES</b>	<u>94,246,185</u>	<u>94,818,353</u>	<u>93,886,028</u>	<u>410,635</u>	<u>521,690</u>
Other financing uses					
Transfers to other funds	2,300,000	2,260,000	2,259,827		173
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 96,546,185</u>	<u>\$ 97,078,353</u>	<u>96,145,855</u>	<u>\$ 410,635</u>	<u>\$ 521,863</u>
Net change in fund balance			1,388,918		
Fund balance - beginning of year			<u>11,456,864</u>		
Fund balance - end of year			<u>\$ 12,845,782</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 CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
FOR THE FISCAL YEARS ENDED JUNE 30,**

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service cost	\$ 3,607,130	\$ 5,184,877	\$ 4,617,642	\$ 3,312,864	\$ 4,056,641	\$ 4,787,858
Interest	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)					
Differences between expected and actual experience					(11,059,394)	(257,037)
Changes of demographic gains or losses	(755,349)		(6,641,669)			
Changes of assumptions or other inputs	12,538,477	(24,124,844)	10,265,601	16,641,069	(14,358,263)	
Benefit payments	(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>	<u>13,943,756</u>	<u>(19,082,627)</u>	<u>8,098,204</u>	<u>20,571,327</u>	<u>(20,340,642)</u>	<u>5,678,068</u>
<b>Total OPEB liability - beginning</b>	<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>	<u>100,098,176</u>
<b>Total OPEB liability - ending</b>	<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>	\$ 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>	269.89%	226.42%	271.89%	258.91%	208.67%	244.88%

**Notes to Schedule:***Trust Assets*

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

*Changes of Assumptions*

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

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

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

**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>										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset/(liability)	0.0215061%	0.0197216%	0.0197570%	0.0200689%	0.0202905%	0.0208380%	0.0220738%	0.0229870%	0.0244760%	0.0244760%
District's proportionate share of the net pension asset/(liability)	\$ (4,611,776)	\$ 1,612,162	\$ (19,673)	\$ (5,314,364)	\$ (1,437,643)	\$ (672,534)	\$ (2,074,106)	\$ (3,689,484)	\$ (826,859)	\$ (1,007,295)
District's covered payroll	\$ 7,189,328	\$ 6,865,546	\$ 6,190,521	\$ 6,334,356	\$ 6,278,474	\$ 6,134,546	\$ 6,274,756	\$ 6,293,314	\$ 6,030,424	\$ 6,277,463
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	23.48%	23.48%	0.32%	83.90%	22.90%	10.96%	33.05%	58.63%	13.71%	16.05%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%	97.15%

<b>NYTRS Pension Plan</b>										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset/(liability)	0.229024%	0.230602%	0.233199%	0.234211%	0.233074%	0.235939%	0.234486%	0.235405%	0.238711%	0.238731%
District's proportionate share of the net pension asset/(liability)	\$ (4,394,718)	\$ 39,961,035	\$ (6,443,913)	\$ 6,084,808	\$ 4,214,598	\$ 1,793,373	\$ (2,511,442)	\$ 24,451,030	\$ 26,590,945	\$ 1,571,454
District's covered payroll	\$ 41,291,592	\$ 39,776,253	\$ 39,581,222	\$ 39,549,229	\$ 38,541,122	\$ 37,957,062	\$ 36,225,114	\$ 35,927,909	\$ 35,937,951	\$ 35,598,780
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	10.64%	100.46%	16.28%	15.39%	10.94%	4.72%	6.93%	68.06%	73.99%	4.41%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

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

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

**NYSERS Pension Plan**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 867,160	\$ 881,646	\$ 945,711	\$ 869,093	\$ 902,507	\$ 932,086	\$ 954,390	\$ 1,044,730	\$ 1,196,417	\$ 1,345,660
Contributions in relation to the contractually required contribution	867,160	881,646	945,711	869,093	902,507	932,086	954,390	1,044,730	1,196,417	1,345,660
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 7,166,425	\$ 6,976,560	\$ 6,380,544	\$ 6,288,724	\$ 6,216,118	\$ 6,199,713	\$ 6,238,107	\$ 6,340,054	\$ 6,184,440	\$ 6,356,176
Contributions as a percentage of covered payroll	12.10%	12.64%	14.82%	13.82%	14.52%	15.03%	15.30%	16.48%	19.35%	21.17%

**NYTRS Pension Plan**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,374,198	\$ 3,976,569	\$ 3,730,087	\$ 3,506,896	\$ 3,720,588	\$ 4,381,944	\$ 4,797,936	\$ 6,198,776	\$ 5,729,972	\$ 4,144,647
Contributions in relation to the contractually required contribution	4,374,198	3,976,569	3,730,087	3,506,896	3,720,588	4,381,944	4,797,936	6,198,776	5,729,972	4,144,647
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 43,238,945	\$ 41,291,592	\$ 39,776,253	\$ 39,581,222	\$ 39,549,229	\$ 38,541,122	\$ 37,957,062	\$ 36,225,114	\$ 35,927,909	\$ 35,937,951
Contributions as a percentage of covered payroll	10.12%	9.63%	9.38%	8.86%	9.41%	11.37%	12.64%	17.11%	15.95%	11.53%

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET-GENERAL FUND  
 AND SECTION 1318 OF THE REAL PROPERTY TAX LAW LIMIT CALCULATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted Budget	\$ 96,208,000
Add: Prior year's encumbrances	338,185
Original Budget	96,546,185
Budget revisions:	
Tax Certiorari Reserve	366,808
Employee Benefit Accrued Liability Reserve	96,642
Donations	68,718
Final Budget	\$ 97,078,353

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

2023-2024 voter-approved expenditure budget	\$ 101,856,200
Maximum allowed (4% of 2023-2024 budget)	\$ 4,074,248
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	\$ 1,985,635
Unassigned fund balance	3,918,737
Total unrestricted fund balance	5,904,372
Less:	
Appropriated fund balance	\$ 1,575,000
Encumbrances included in assigned fund balance	410,635
Total adjustments	1,985,635
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$ 3,918,737
Actual percentage	3.85%

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing		Fund Balance June 30, 2023
			Prior Year's	Current Year	Total		Local Sources	Total	
EMS Roof and Gymnasium Renovation	\$ 2,400,000	\$ 2,869,159	\$ 806,663	\$ 1,980,942	\$ 2,787,605	\$ 81,554	\$ 2,869,159	\$ 2,869,159	\$ 81,554
DW Infrastructure and Security Bond	2,239,288	2,239,288	56,695	234,378	291,073	1,948,215	-	-	(291,073) *
Infrastructure and Security Bond- WV	1,901,283	2,030,025	47,992	410,782	458,774	1,571,251	-	-	(458,774) *
Infrastructure and Security Bond- MS/HS	1,621,852	1,621,852	68,237	1,246,219	1,314,456	307,396	1,246,219	1,246,219	(68,237) *
Infrastructure and Security Bond- MS/HS	6,098,188	6,679,242	199,090	1,047,224	1,246,314	5,432,928	853,782	853,782	(392,532) *
Infrastructure and Security Bond- GV	3,844,815	3,844,815	96,933	301,860	398,793	3,446,022	-	-	(398,793) *
Infrastructure and Security Bond- MS/HS	25,168,250	25,168,250	-	679,102	679,102	24,489,148	-	-	(679,102) *
<b>TOTAL</b>	<u>\$ 43,273,676</u>	<u>\$ 44,452,631</u>	<u>\$ 1,275,610</u>	<u>\$ 5,900,507</u>	<u>\$ 7,176,117</u>	<u>\$ 37,276,514</u>	<u>\$ 4,969,160</u>	<u>\$ 4,969,160</u>	<u>\$ (2,206,957)</u>

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
SUPPLEMENTARY INFORMATION  
NET INVESTMENTS IN CAPITAL ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Capital assets, net</b>		\$ 77,665,894	
<b>Intangible lease assets, net</b>		190,284	
<b>Add:</b>			
Deferred amounts on refunding		222,927	
<b>Deduct:</b>			
Short-term portion of bonds payable, net	\$ 2,553,864		
Long-term portion of bonds payable, net	31,406,924		
Short-term portion of lease liability	192,139		
Long-term portion of lease liability	2,608		
Short-term portion of energy performance contract debt payable	464,304		
Long-term portion of energy performance contract debt payable	2,045,492		
Less: tax certiorari bonds payable	<u>(447,000)</u>	<u>(36,218,331)</u>	
<b>Net investment in capital assets</b>		<u>\$ 41,860,774</u>	

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

To the Board of Education  
Eastchester Union Free School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Eastchester Union Free School District (the “District”), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated September 26, 2023.

**Report on Internal Control over Financial Reporting**

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

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

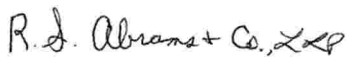
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

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

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

### **Purpose of This Report**

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



R.S. Abrams & Co., LLP  
Islandia, New York  
September 26, 2023

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education  
Eastchester Union Free School District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Eastchester Union Free School District’s (the “District”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2023. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control

over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities and each major fund of the District as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated September 26, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



R.S. Abrams & Co., LLP  
Islandia, New York  
September 26, 2023

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number (ALN)	Agency or Pass-through Number	Program Expenditures	Total Expenditures by ALN
<b><u>U.S. Department of Education</u></b>				
<u>Passed-through NYS Education Department:</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-1047	\$ 678,530	
COVID-19 Special Education - Grants to States (IDEA, Part B)	84.027	5532-22-1047	<u>144,817</u>	\$ 823,347
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-23-1047	\$ 25,369	
COVID-19 Special Education - Preschool Grants (IDEA Preschool)	84.173	5533-22-1047	<u>11,538</u>	36,907
Total Special Education Cluster			<u>\$ 860,254</u>	
Title I Grants to Local Educational Agencies (LEAs)	84.010	0021-22-3620	\$ (167)	
Title I Grants to Local Educational Agencies (LEAs)	84.010	0021-23-3620	<u>66,571</u>	66,404
Supporting Effective Instruction State Grant	84.367	0147-22-3620	\$ 27,690	
Supporting Effective Instruction State Grant	84.367	0147-23-3620	<u>16,945</u>	44,635
English Language Acquisition Grants	84.365	0293-22-3620	\$ 12,812	
English Language Acquisition Grants	84.365	0293-23-3620	<u>42,079</u>	54,891
Student Support and Academic Enrichment Grants	84.424	0204-22-3620	\$ 3,425	
Student Support and Academic Enrichment Grants	84.424	0204-23-3620	<u>10,604</u>	14,029
Education Stabilization Fund				
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	84.425U	5880-21-3620	\$ 138,451	<u>138,451</u>
Total U.S. Department of Education				<u>\$ 1,178,664</u>
<b>Total Federal Awards Expended</b>				<u><b>\$ 1,178,664</b></u>

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Eastchester Union Free School District (the “District”) under programs of the federal government for the fiscal year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. Pass-through entity identifying numbers are presented where available.

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

**3. INDIRECT COST RATE**

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

**4. SUBRECIPIENTS**

No amounts were provided to subrecipients.

**5. OTHER DISCLOSURES**

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District’s casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.



**EASTCHESTER UNION FREE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**PART II FINANCIAL STATEMENT FINDINGS**

There are no financial statements findings to be reported.

**PART III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

There were no prior year findings or questioned costs.

**EASTCHESTER UNION FREE SCHOOL DISTRICT  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

A corrective action plan for the fiscal year ended June 30, 2023 is not required.