PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the School District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See "TAX MATTERS" herein.)

The School District will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

$50,034,000

EASTCHESTER UNION FREE SCHOOL DISTRICT

WESTCHESTER COUNTY, NEW YORK

GENERAL OBLIGATIONS

$50,034,000 Bond Anticipation Notes - 2025

(the "Notes")

Dated: January 23, 2025 **Due: January 23, 2026**

The Notes are general obligations of the Eastchester Union Free School District, Westchester County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount. See "THE NOTES – "Nature of the Obligation" herein.

The Notes are not subject to redemption prior to maturity.

At the option of the purchaser(s), the Note will be issued as book-entry only or registered in the name of the purchaser(s). If such Note is issued as registered in the name of the purchaser(s), principal of and interest on the Note will be payable in Federal Funds. In such case, a single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

Alternatively, if the Note is issued as book-entry only, the Note will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Note. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Note. Such Note will be issued in denominations of $5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes $9,000. If the Note is issued as registered notes, payment of the principal of and interest on the Note to the Beneficial Owner(s) of the Note will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM" herein.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on January 8, 2025 until 11:00 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

THE DATE OF THIS PRELIMINARY OFFICIAL STATEMENT IS DECEMBER 20, 2024.

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Notes in book-entry or registered form through the facilities of DTC located in Jersey City, New Jersey, or as otherwise agreed by the purchaser and the District, on or about January 23, 2025.

EASTCHESTER UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

CHRISTINE CIVITANO-LOMBARDI
President

LAURIE GIACOBBE
Vice President

MATTHEW FANELLI, SECRETARY
CHRISSY GEAGAN, TRUSTEE
JACKIE DIMARCO, TRUSTEE
JILL DECAIRANO-COSENTINO, TRUSTEE
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ROBERT KRUKOWSKI, TRUSTEE
CHRISTIE MCCLOSKEY, TRUSTEE

* * * * * * * * * * *

DR. RONALD D. VALENTI
Superintendent of Schools

LOUISE LYNCH
Assistant Superintendent for Finance and Facilities

LORI PERROTTA
District Clerk

SHONDA MERRILL
District Treasurer

GUERCIO & GUERCIO, LLP
District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

HAWKINS
Bond Counsel

No person has been authorized by Eastchester Union Free School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Eastchester Union Free School District.

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
http://www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

EASTCHESTER UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

Relating To

$50,034,000 Bond Anticipation Notes – 2025

This Official Statement, which includes the cover page and appendices, has been prepared by the Eastchester Union Free School District, Westchester County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $50,034,000 principal amount of Bond Anticipation Notes – 2025 (the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" herein.

The Notes are dated January 23, 2025 and mature, without option of prior redemption, on January 23, 2026. The Notes will be issued in either (i) the name of the purchaser(s) with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) at the option of the purchaser(s), registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and a bond resolution duly adopted by the Board of Education on March 8, 2022 for the construction improvements and alterations to all district school buildings at a maximum cost of $75,555,000.

The proceeds of the Notes, along with $250,000 available funds will partially redeem and renew the $29,500,000 bond anticipation notes outstanding and maturing January 24, 2025 and provide $20,784,000 new money for the abovementioned purposes.

NATURE OF OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. However, the Tax Levy Limit Law imposes a statutory limitation on the District's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See also "TAX LEVY LIMITATION LAW" herein)

The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Notes), or the refinancing or refunding of such bonds or notes. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance or refinance deficits and certain judgments, including tax certiorari refund payments. (See "The Tax Levy Limit Law" herein.)

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 41 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp*., 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

NO PAST DUE DEBT

No principal or interest payment on District indebtedness is past due.

BANKRUPTCY

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

DESCRIPTION OF BOOK-ENTRY-ONLY-SYSTEM

In the event that the Notes are issued in registered book-entry form, the Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, a limited-purpose trust company organized under the New York Banking Law, is a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in Westchester County, in the Town of Eastchester (the "Town") and is approximately 20 miles north of mid-town Manhattan. The main north-south artery is New York State Route 22 (White Plains Road). The Hutchinson River Parkway passes to the east of the District and the Bronx River Parkway passes to the west. The District encompasses approximately one-half of the Town of Eastchester and a very small portion of the Village of Tuckahoe. The District consists of a land area of approximately 3.7 square miles. The Lake Isle and Leewood Country Clubs are wholly within the District.

A blend of private residential homes and apartments make up 95% of the District area. Shopping facilities are available locally in regional shopping centers and at nearby White Plains, Yonkers and New Rochelle. The Harlem Division of Metro-North rail service serves residents at the nearby stations at Bronxville, Tuckahoe and Crestwood. Bus service is available to all points in Westchester County and into New York City.

Gas and electric service is provided by Consolidated Edison Company and the New York Power Authority; telephone service by Verizon and various long-distance carriers. Police protection is provided by the Town of Eastchester. Fire protection is provided by Eastchester Fire District. Lawrence Hospital provides health care.

Source: District officials.

District Population

The current estimated population of the District is 19,702. (Source: 2022 U.S. Census Bureau estimate.)

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Town of Eastchester and the County of Westchester. The figures set below with respect to such Town, County and State of New York are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Town, County or State are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2018-2022	2006-2010	2016-2020	2018-2022
Town of:						
Eastchester	$ 66,589	$ 77,581	$ 90,608	$ 130,965	$ 170,755	$ 200,444
County of:						
Westchester	47,814	57,953	67,776	100,863	126,992	147,091
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

Note: 2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2006-2010, 2016-2020 and 2018-2022 5-Year American Community Survey data.

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Major Employers in District Area

The following are the largest employers located within or in close proximity to the District.

Employer	Location	Approximate # of Employees
Lawrence Hospital	Medical Center	1,630
Eastchester Union Free School District	Educational Services	598
Bronxville Union Free School District	Educational Services	250
Town of Eastchester	Municipal Services	245
Tuckahoe School District	Educational Services	210
DiCicco’s	Supermarket	119
Stop-N-Shop	Supermarket	97
Village of Tuckahoe	Municipal Services	85
Eastchester Fire Department	Municipal Services	78
Village of Bronxville	Municipal Services	62

Source: District officials.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the School District) is the Town and County. The information set forth below with respect to the Town and County is included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the Town or County is necessarily representative of the District, or vice versa.

Annual Average

	2017	2018	2019	2020	2021	2022	2023
Westchester County	4.5%	3.9%	3.6%	8.0%	4.8%	3.1%	3.4%
New York State	4.7	4.1	3.8	9.9	6.9	4.3	4.2

2024 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Westchester County	3.8%	4.0%	3.8%	3.4%	3.7%	3.6%	4.1%	4.1%	3.1%	3.3%	N/A	N/A
New York State	4.3%	4.5%	4.2%	3.9%	4.2%	4.3%	4.9%	4.9%	4.0%	4.1%	N/A	N/A

Note: Unemployment rates for November and December 2024 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education. On the third Tuesday in May each year, an election is held within the District boundaries to elect members to the Board of Education. They are elected for a term of three years.

In the beginning of July of each year, the Board of Education meets for the purpose of reorganization. At that time an election is held within the Board to elect a President, Vice President and Secretary as well as to appoint a District Clerk and District Treasurer.

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Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, Assistant Superintendent of Finance and Facilities and the School District Treasurer.

Budgetary Procedures

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated, and the first draft of the next year's proposed budget is developed by the Central Office staff. During the winter and early spring, the budget is developed and refined in conjunction with school building principals and department supervisors. The budget is voted on by the Board at its April meeting and is submitted to referendum at the Annual Meeting in May.

Recent Budget Vote Results

The budget for the 2023-24 fiscal year was approved by qualified voters on May 16, 2023 by a vote of 833 to 567. The District's adopted budget for the 2023-24 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for no (0.00%) tax levy increase, which was below the District tax levy limit of 2.00%

The budget for the 2024-25 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 1,222 to 754. The District's adopted budget for the 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a 2.96% tax levy increase, which was within the district tax levy limit of 2.96%.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML") and its adopted Investment Policy, the District is generally permitted to deposit moneys in FDIC-insured commercial banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML and the District's Investment Policy.

The District may also temporarily invest moneys in: (1) obligations of the United States of America and; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) repurchase agreements; (4) obligations of New York State or its localities.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments or investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in the custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its budget for the 2024-25 fiscal year, approximately 15.59% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Federal Aid Received by the State

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

Building aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2024-2025 preliminary building aid ratios, the District State Building aid of approximately 37.4% for debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State aid history

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-

2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Budget allocates $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Budget increases federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School district fiscal year (2023-2024): The State's Budget for fiscal 2023-24 was enacted on May 2, 2024 and provides for a total of $34 billion in State funding to school districts for the 2023-24 school year. The enacted budget for fiscal 2023-24 represents a $3.2 billion or 10.4% increase in State funding for education, and includes a $2.629, or 12.3% percent Foundation Aid increase.

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provides $35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of $1.3 billion compared to the 2023-24 school year and includes a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity v. New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The *Campaign for Fiscal Equity* decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase of foundation aid is now scheduled to occur as listed on the following page.

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 in *New Yorkers for Students' Educational Rights v. State of New York ("NYSER")* and a consolidated case on the right to a sound basic education. The *NYSER* lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the *Campaign for Fiscal Equity* case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein.

On October 14, 2021 Governor Kathy Hochul announced that the State has reached an agreement to settle and discontinue the *New Yorkers for Students' Educational Rights v. New York State* case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this funding. The litigation, which commenced in 2014, sought to require the State to fully fund the Foundation Aid formula that was put into place following the historic *Campaign for Fiscal Equity* cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of State funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is listed on the following page:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

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State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the below five completed fiscal years and budgeted figures for the current fiscal year comprised of State aid.

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 87,182,079	$ 7,942,918	9.11%
2020-2021	89,685,955	8,336,147	9.29
2021-2022	92,991,986	9,984,503	10.74
2022-2023	97,534,773	12,454,982	12.77
2023-2024	102,869,731	16,507,534	16.05
2024-2025 (Budgeted)	103,367,491	16,116,485	15.59

(1) Does not include interfund transfers or appropriated fund balance and reserves.

Source: Audited Financial Statements for the 2019-2020 through 2023-2024 fiscal years and adopted budget for the 2024-2025 fiscal year. This table is not audited.

District Facilities

The District currently operates the following facilities:

Name	Grades	Student Population
Eastchester High School	9-12	960
Eastchester Middle School	6-8	730
Anne Hutchinson Elementary School	2-5	436
Greenvale Elementary School	2-5	484
Waverly School	K-1	428
	Total	3,038

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-2021	3,184	2025-2026	2,952
2021-2022	3,157	2026-2027	2,909
2022-2023	3,039	2027-2028	2,888
2023-2024	3,038	2028-2029	2,829
2024-2025	2,955	2029-2030	2,800

Source: District officials.

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Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are as follows:

Number of Employees	Bargaining Unit	Contract Expiration Date
35	C.S.E.A. – Custodial Unit	June 30, 2027
40	C.S.E.A. – Support Staff	June 30, 2026
370	Eastchester Teachers' Association & Teachers' Assistants	June 30, 2026
69	School Monitors	June 30, 2026
16	Eastchester Administrators' Association	June 30, 2025

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the current fiscal year are as follows:

Fiscal Year	ERS	TRS
2019-2020	869,093	3,503,561
2020-2021	945,711	3,735,237
2021-2022	881,646	3,976,569
2022-2023	867,160	4,374,198
2023-2024	892,168	4,259,599
2024-2025 (Budgeted)	878,579	4,443,489

Source: District officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees.

The District offered early retirement incentives for the last five years as follows:

Fiscal Year	Staff Participants	Approximate Savings
2020-2021	3	$ 200,000
2021-2022	0	0
2022-2023	0	0
2023-2024	15	1,350,000
2024-2025	13	1,200,000

Source: District officials.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2020-21 to 2024-25) is shown below:

Year	ERS	TRS
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount.

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District's employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established such a fund.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Questar III BOCES to calculate its first actuarial valuation under GASB 75 for the fiscal years ending June 30, 2023 and 2024. The table on the following page outlines the changes to the Total OPEB Liability during the 2023 and 2024 fiscal years, by source.

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Balance beginning at:	July 1, 2022	July 1, 2023
	$ 95,022,506	$ 108,966,262
Changes for the year:		
Service cost	3,607,130	4,238,517
Interest	3,445,816	4,080,980
Change in demographic gains or loses	(755,349)	-
Differences between expected and actual experience	(2,289,286)	-
Changes in assumptions or other inputs	12,538,477	(4,849,881)
Benefit payments	(2,603,032)	(2,819,466)
Net Changes	$ 13,943,756	$ 650,150
Balance ending at:	June 30, 2023	June 30, 2024
	$ 108,966,262	**$ 109,616,412**

Source: Audited financial reports of the District. For additional information see "APPENDIX – D" attached hereto. The above table is not audited.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved $0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which bonds and notes are to be issued is the Education Law and the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released its most recent audit report of the District on March 31, 2023. The purpose of the audit was to determine whether Eastchester Union Free School District (District) officials established adequate controls over user accounts to help prevent unauthorized use, access, and loss, and whether officials established an adequate information technology (IT) contingency plan for the period July 1, 2020 through September 23, 2021. Key findings and recommendations as outlined in the audit report are outlined below:

Key Findings:

District officials did not establish adequate controls over user accounts to help prevent unauthorized use, access and loss nor did they establish an adequate IT contingency plan. Sensitive IT control weaknesses were also communicated confidentially to officials. Officials did not:

- Develop comprehensive procedures for managing network and financial application user accounts nor did they periodically review all network user accounts and permissions to determine if they needed to be disabled. As a result, we identified the following unneeded network user accounts:
    - 181 for students no longer in the District. These students left the District between June 2020 and August 2021.
    - Six for two former employees, two former Board members and two former interns. These users left District employment between 2016 and 2021.
- Adopt a comprehensive IT contingency plan to minimize the risk of data loss or prevent a serious interruption of services.

Key Recommendations:

- Develop written procedures for managing network and financial application user accounts.
- Develop, adopt, distribute and periodically review and test a comprehensive IT contingency plan.

District officials agreed with our findings and indicated they are initiating corrective action.
Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not included herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

The Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the 2021 through 2023 fiscal years for the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0

Note: The Fiscal Score for the 2023-2024 fiscal year has not been calculated as of the date of this Official Statement.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Assessed Values	$ 50,045,400	$ 50,164,713	$ 50,008,743	$ 50,176,622	$ 50,130,238
State Equalization Rates	1.13%	1.08%	1.03%	0.94%	0.91%
Total Taxable Full Valuation	$ 4,428,796,460	$ 4,644,880,833	$ 4,855,217,767	$ 5,337,938,511	$ 5,508,817,363

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Town of Eastchester	$ 1,525.99	$ 1,553.16	$ 1,585.88	$ 1,579.80	$ 1,628.23

Source: District officials.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy	$ 76,380,000	$ 77,921,000	$ 79,308,000	$ 79,308,000	$ 81,655,399
Amount Uncollected (1)	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

(1) The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Source: District officials.

Tax Collection Procedure

District taxes are collected by the Town receiver of taxes. The first half is due and payable without penalty during the month of September. The second half is due and payable without penalty during the month of January. Beginning October 1st and February 1st respectively, and continuing each month until paid, the penalty added to delinquent taxes is one twelfth the rate of interest determined by the State Commissioner of Taxation and Finance. This rate is determined each year by July 15th based on the one-year constant maturity yield index for the United States Treasury securities for the quarter-year ending on the immediately preceding June 30th. The rate is effective for a twelve-month period commencing November 1st each year and in no event will be less than ten per centum per annum.

In Westchester County, school taxes are collected by the towns which are obligated to pay to the school districts the amount of taxes collected no later than the fifth day of the month after the month collected. All tax monies due to the District are to be paid in full, no later than April 30th, whether collected or not.

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Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the below five completed fiscal years and the budgeted figures for the current fiscal year comprised of Real Property Taxes.

Fiscal Year	Total Revenues [1]	Total Property Tax Levy & Other Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes
2019-2020	$ 87,182,079	$ 76,484,618	87.73%
2020-2021	89,685,955	78.125,794	87.11
2021-2022	92,991,986	79,844,153	85.86
2022-2023	97,534,773	79,308,000	81.31
2023-2024	102,869,731	81,485,913	79.21
2023-2024 (Budgeted)	103,367,491	83,555,399	80.83

[1] Does not include interfund transfers or appropriated fund balance and reserves.

Source: Audited Financial Statements for the 2019-2020 through 2023-2024 fiscal years and adopted budget for the 2024-2025 fiscal year. This table is not audited.

Ten Largest Taxpayers – 2024 Assessment Roll for 2024-2025 School District Tax Roll

Name	Type	Taxable Assessed Valuation
Con Edison Co. of New York	Utility	$ 4,124,825
Westchester Village	Shopping Center	1,042,700
Interlaken Owners, Inc	Apartments/Co-op.	939,800
Suez Water Westchester	Water & Waste Recycling Services	778,654
230 Garth Road Owners, Inc.	Apartments/Co-op.	711,900
Midland Garden Owners	Apartments/Co-op.	665,675
Scarsdale Manor Owners	Apartments/Co-op.	475,000
125 Parkway Owner LLC	Apartments/Co-op.	470,400
Garth Woods Owners	Apartments/Co-op.	393,250
150 Main St LLC	Apartments/Co-op.	365,000

The ten larger taxpayers listed above have a total taxable assessed valuation of $9,967,204 which represents 19.88% of the tax base of the District for the 2024-2025 fiscal year.

The District has certain pending tax certiorari proceedings. See "LITIGATION" herein regarding pending tax certiorari cases. As of June 30, 2024, the balance in the District's Tax Certiorari Reserve Fund was $3,747,862.

Sources: School District Tax Rolls and District officials.

Sales Tax Revenue

The following table illustrates the sales tax revenue as recorded by the District for each of the last five completed fiscal years:

Fiscal year ending	Amount
2020	$ 1,438,477
2021	1,748,606
2022	1,923,157
2023	2,056,097
2024	2,177,913
2025 (Budgeted)	1,900,000

Sources: School District officials.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $93,200 or less in 2023-2024 and $98,700 or less in 2024-2025, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $81,400 of the full value of a home for the 2023-2024 school year and the first $84,000 of the full value of a home for the 2024-2025 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

The 2022-23 Enacted State Budget provided $2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

The below table lists the basic and enhanced exemption amounts for the 2023-24 District tax roll for the municipalities applicable to the District:

Town of:	Enhanced Exemption	Basic Exemption	Date Certified
Eastchester	$ 2,200	$ 790	10/18/2023

$4,654,799 of the District's $79,308,000 school tax levy for the 2023-2024 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2024.

Approximately $4,282,843 of the District's $1,900,000 school tax levy for the 2024-2025 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January 2025.

Additional Tax Information

Real property located in the District is assessed by the Town.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-70%, Commercial-30%.

The estimated total annual property tax bill of a $952,127 average market value residential property located in the District is approximately $22,581 including County, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020, however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation.

See "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

STATUS OF INDEBTEDNESS

Constitutional and Statutory Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Notes:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been initially contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See "*TAX LEVY LIMITATION LAW*," herein).

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in the anticipation of the bonds. No down payment is required in connection with the issuance of District obligations. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the commissioner of Education of the State.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, or summary thereof, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. Except on rare occasion the District complied with this estoppel procedure.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Notes. However, such finance board may delegate the power to sell the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York, provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2020	2021	2022	2023	2024
Bonds	$ 44,475,000	$ 39,915,000	$ 36,355,000	$ 32,775,000	$ 30,350,000
Bond Anticipation Notes	0	0	0	0	29,500,000
Energy Performance Contract (1)	3,800,729	3,386,772	2,956,671	2,509,796	2,045,492
Total Debt Outstanding	$ 48,275,729	$ 43,301,772	$ 39,311,671	$ 35,284,796	$ 61,895,492

(1) Energy performance contracts (leases) do not constitute debt for Local Finance Law purposes; however, they are included for purposes of calculating the debt limit of the District.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of December 20, 2024.

Type of Indebtedness	Maturity		Amount
Bonds	2025-2039		$ 29,050,000
Bond Anticipation Notes	January 24, 2025		29,500,000 (1)
		Total Indebtedness	$ 58,550,000

(1) To be partially redeemed and renewed at maturity with the proceeds of the Notes and $250,000 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared and shown as of December 20, 2024.

Full Valuation of Taxable Real Property			$ 5,508,817,363
Debt Limit 10% thereof			550,881,736
Inclusions:			
Bonds	$ 29,050,000		
Bond Anticipation Notes (BANs):	29,500,000		
Total Inclusions prior to issuance of the Notes	58,550,000		
Less: BANs being redeemed from appropriations	(250,000)		
Add: New money proceeds of the Notes	20,784,000		
Total Net Inclusions after issuance of the Notes		$ 79,084,000	
Exclusions:			
State Building Aid [(1)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 79,084,000
Net Debt-Contracting Margin			$ 471,797,736
The percent of debt contracting power exhausted is			14.36%

(1) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2024-2025 Building Aid Ratios, the School District anticipates State building aid of 37.4% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

Installment Purchase Debt

At June 30, 2024, the District had installment purchase debt of $2,045,492. The debt is related to the Energy Performance Contract issued on June 15, 2012 at an interest rate of 2.203%. The debt matures in fiscal year 2028.

The following is a summary of installment purchase maturing debt service requirements:

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

Source: Audited Financial Statements. The above table is unaudited.

Lease Purchase Agreements

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 $2,608 and $12, respectively, for the fiscal year ended June 30, 2024.

The following is a summary of the principal and interest requirements to maturity for the District's Leases as of June 30, 2024:

Fiscal Year Ending	Principal	Interest	Total
2025	$ 2,608	$ 12	$ 2,620
TOTAL	$ 2,608	$ 12	$ 2,620

Revenue and Tax Anticipation Notes

The District historically does not issue revenue anticipation notes. The District has not issued tax anticipation notes since the 2016-2017 fiscal years and does not anticipate issuing tax anticipation notes for the foreseeable future.

Capital Project Plans

In 2020-2021, the Board of Education planned to ask voters for approval of a capital project in the amount of $19.6 million for safety and security improvements through technology and active security measures presenting for security upgrades. Due to the COVID – 19 pandemic, the project was canceled and replaced with a District Wide infrastructure and security bond. On February 15, 2022 the community approved a $75.5 million capital project to address infrastructure, safety & security, health & wellness, accessibility, site improvements, and districtwide air-cooling. In January, 2023 the District issued $29,500,000 as the initial financing for this purpose. On January 25, 2024 the District issued $29,500,000, the proceeds of which were used to renew the outstanding $29,500,000 bond anticipation notes that matured January 26, 2024, issued for the aforementioned project. The Notes are being issued, along with $250,000 available funds to partially redeem and renew the bond anticipation notes maturing January 24, 2025 and provide $20,784,000 new money for the aforementioned project.

Other than the $75.5 million project described above, the District currently has no other authorized and unissued indebtedness for capital or other purposes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the close of the respective fiscal years of the below municipalities.

Municipality	Status of Debt as of		Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Net Overlapping Indebtedness
County of:							
Westchester	7/31/2024	[3]	$ 1,494,629,305	$ 374,652,567	$ 1,119,976,738	2.44%	$ 27,327,432
Town of:							
Eastchester	6/25/2024	[3]	19,165,000	-	19,165,000	72.92%	13,975,118
Village of:							
Tuckahoe	5/31/2024	[3]	6,190,000	-	6,190,000	100.00%	6,190,000
						Total:	$ 47,492,550

[1] Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

[2] Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

[3] Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

Debt Ratios

The following table sets forth certain ratios relating to the District's net indebtedness as of December 20, 2024:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 79,084,000	$ 4,014.01	1.44%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	126,576,550	6,424.55	2.30

(a) The 2022 estimated population of the District is 19,702. (See "THE SCHOOL DISTRICT - Population" herein.)
(b) The District's full value of taxable real estate for the 2024-2025 tax roll is $5,508,817,363. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.
(d) The District's applicable share of Net Overlapping Indebtedness is estimated to be $47,492,550. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the District's credit rating could adversely affect the market value of the Notes.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "State Aid" and "Events Affecting New York School Districts" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "Tax Matters" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See "*TAX LEVY LIMIT LAW*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Notes.

CYBERSECURITY

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a "Discount Note"), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner's adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Note (a "Premium Note"). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the bond premium over the remaining term of the Premium Note, based on the owner's yield over the remaining term of the Premium Note determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Note, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to Provide Notice of Material Events Certificate, the form, substantially of which, is attached hereto as "APPENDIX – C – FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS".

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. Except as otherwise set forth herein, excluding matters covered by the insurance policies of the District, in the opinion of the attorney for the District, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

There are currently pending tax certiorari proceedings, the results of which could require the payment of future tax refunds by the District if existing assessment rolls are modified based on the outcome of such proceedings. To the extent that funds are not available in the District's operating budget or in the District's tax certiorari reserve fund for the payment of any resulting tax refunds, the District is authorized to issue bonds or notes to fund payment of tax refunds contained in Court-ordered settlements or judgments of tax certiorari proceedings.

The attorneys for the District have no knowledge of any Child Victim Act claims against the District.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a municipal advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District; provided, however, the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATING

The Notes are not rated. Subject to the approval of the District, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, such as a rating action that may result in the filing of a material event notification to EMMA and/or the provision of a supplement to the final Official Statement.

Moody's Investors Service ("Moody's") has assigned its rating of "Aa2" to the Districts Outstanding Bonds. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

ADDITIONAL INFORMATION

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

This Official Statement is in a form "deemed final" by the District for the purpose of Securities and Exchange Commission Rule 15c2-12. (See UNDERTAKING TO PROVIDE NOTICES OF EVENTS" herein.)

The District will act as paying agent for the Notes. The District's contact information is as follows: Louise Lynch, Assistant Superintendent for Finance & Facilities, Eastchester Union Free School District, 580 White Plains Road, Eastchester, New York 10709, Phone: (914) 793-6130 x 4202, Fax: (914) 395-0299, Email: llynch@eufsdk12.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at www.fiscaladvisors.com.

EASTCHESTER UNION FREE SCHOOL DISTRICT

Dated: January __, 2025

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PRESIDENT OF THE BOARD OF EDUCATION

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 8,434,463	$ 9,335,797	$ 9,999,557	$ 10,105,381	$ 14,028,374
Restricted Cash	2,753,559	6,578,708	7,865,005	6,941,410	6,302,650
State and Federal Aid Receivable	1,116,333	944,937	837,555	1,117,385	2,204,043
Due from Other Governments	1,759,393	966,823	808,449	1,958,856	723,591
Due from Other Funds	1,196,900	821,159	1,139,654	1,026,050	797,423
Due from Fiduciary Funds	-	-	-	-	-
Other Receivables	16,458	5,802	108,612	9,543	14,177
Deferred Expenditures	-	-	-	-	-
TOTAL ASSETS	$ 15,277,106	$ 18,653,226	$ 20,758,832	$ 21,158,625	$ 24,070,258
LIABILITES AND FUND EQUITY					
Accounts Payable	$ 614,746	$ 789,397	$ 932,713	$ 1,247,457	$ 1,995,922
Accrued Liabilities	517,511	490,712	592,590	558,972	813,974
Tax Anticipation Notes	-	-	-	-	-
Due to Other Governments	44,272	44,272	44,272	44,272	-
Due to Other Funds	1,560,550	1,790,638	2,456,075	1,072,098	1,067,890
Due to Teachers' Retirement System	3,794,253	4,065,761	4,372,538	4,880,780	4,896,232
Due to Employees' Retirement System	233,450	296,246	218,310	332,461	338,418
Compensated Absences	515,448	166,864	413,607	52,970	647,183
Other Liabilities	-	-	-	12,844	21,911
Collections in advance	172,188	157,955	259,797	110,989	143,006
Student Deposits	-	27,267	12,066	-	-
Deferred Revenue	131,636	-	-	-	-
TOTAL LIABILITIES	7,584,054	7,829,112	9,301,968	8,312,843	9,924,536
FUND EQUITY					
Restricted	$ 2,168,754	$ 5,984,063	$ 7,270,360	$ 6,941,410	$ 6,302,650
Assigned	560,569	1,161,798	338,185	1,985,635	3,615,373
Unassigned	4,963,729	3,678,253	3,848,319	3,918,737	4,227,699
TOTAL FUND EQUITY	7,693,052	10,824,114	11,456,864	12,845,782	14,145,722
TOTAL LIABILITES and FUND EQUITY	$ 15,277,106	$ 18,653,226	$ 20,758,832	$ 21,158,625	$ 24,070,258

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	$ 65,173,356	$ 67,884,439	$ 69,981,072	$ 71,796,898	$ 73,608,458
Other Tax Items	9,417,628	8,600,179	8,144,722	8,047,255	7,706,300
Charges for Services	2,716,725	2,306,049	2,553,447	2,588,914	2,392,355
Use of Money & Property	397,447	222,559	29,878	61,274	884,099
Sale of Property and Compensation for Loss	41,690	78,394	12,695	-	11,759
Miscellaneous	318,209	147,541	543,023	513,142	476,619
Revenues from State Sources	6,979,485	7,942,918	8,336,147	9,984,503	12,454,982
Revenues from Federal Sources	-	-	84,971	-	-
Total Revenues	$ 85,044,540	$ 87,182,079	$ 89,685,955	$ 92,991,986	$ 97,534,572
Other Sources:					
Proceeds from Debt	-	-	-	-	-
Operating Transfers (In)	277,610	-	-	268,371	201
Total Revenues and Other Sources	85,322,150	87,182,079	89,685,955	93,260,357	97,534,773
EXPENDITURES					
General Support	$ 10,443,407	$ 9,770,178	$ 10,438,489	$ 11,679,017	$ 11,077,786
Instruction	46,921,590	48,018,780	46,387,553	49,186,586	52,440,148
Pupil Transportation	3,320,022	2,926,868	3,212,082	3,448,920	4,218,622
Community Services	28,129	-	-	-	-
Employee Benefits	18,802,003	18,730,683	19,322,636	20,408,070	20,918,799
Debt Service	4,661,969	5,744,042	5,485,889	5,325,237	5,230,673
Total Expenditures	$ 84,177,120	$ 85,190,551	$ 84,846,649	$ 90,047,830	$ 93,886,028
Other Uses:					
Operating Transfers (Out)	3,005,842	1,704,718	1,708,244	2,579,777	2,259,827
Total Expenditures and Other Uses	87,182,962	86,895,269	86,554,893	92,627,607	96,145,855
Excess (Deficit) Revenues Over Expenditures	(1,860,812)	286,810	3,131,062	632,750	1,388,918
FUND BALANCE					
Fund Balance - Beginning of Year	9,267,054	7,406,242	7,693,052	10,824,114	11,456,864
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 7,406,242	$ 7,693,052	$ 10,824,114	$ 11,456,864	$ 12,845,782

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget

Fiscal Years Ending June 30:	2024 Adopted Budget	2024 Modified Budget	2024 Audited Actual	2025 Adopted Budget
REVENUES				
Real Property Taxes	$ 79,308,000	$ 74,653,201	$ 74,653,201	$ 81,655,399
Other Tax Items	1,900,000	6,554,799	6,832,712	1,900,000
Charges for Services	2,100,000	2,350,000	2,019,865	2,100,000
Use of Money & Property	241,715	1,049,585	2,299,528	970,607
Sale of Property and Compensation for Loss	-	-	-	-
Miscellaneous	615,000	369,527	556,891	625,000
Revenues from State Sources	16,116,485	16,116,485	16,507,534	16,116,485
Revenues from Federal Sources	-	-	-	-
Total Revenues	$ 100,281,200	$ 101,093,597	$ 102,869,731	$ 103,367,491
Other Sources:				
Proceeds from Debt	-	-	-	-
Operating Transfers (In)	-	-	59,133	-
Total Revenues and Other Sources	100,281,200	101,093,597	102,928,864	103,367,491
EXPENDITURES				
General Support	$ 11,907,318	$ 13,189,390	$ 12,555,094	$ 12,383,128
Instruction	55,961,931	56,343,524	55,249,457	58,225,765
Pupil Transportation	4,552,846	4,985,695	4,965,377	4,909,744
Community Service	-	-	-	-
Employee Benefits	23,048,754	25,005,899	24,186,492	24,622,355
Debt Service	6,185,351	4,485,351	4,485,350	5,351,499
Total Expenditures	$ 101,656,200	$ 104,009,859	$ 101,441,770	$ 105,492,491
Other Uses:				
Operating Transfers (Out)	200,000	187,154	187,154	200,000
Total Expenditures and Other Uses	101,856,200	104,197,013	101,628,924	105,692,491
Excess (Deficit) Revenues Over Expenditures	(1,575,000)	(3,103,416)	1,299,940	(2,325,000)
FUND BALANCE				
Fund Balance - Beginning of Year	1,575,000	3,103,416	12,845,782	2,325,000
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 14,145,722	$ -

Source: Adopted budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 2,265,000	$ 952,775	$ 3,217,775
2026	2,235,000	875,813	3,110,813
2027	2,305,000	799,288	3,104,288
2028	2,385,000	720,413	3,105,413
2029	2,165,000	638,588	2,803,588
2030	2,070,000	566,138	2,636,138
2031	2,145,000	496,213	2,641,213
2032	2,205,000	435,213	2,640,213
2033	2,090,000	375,938	2,465,938
2034	2,150,000	316,506	2,466,506
2035	1,595,000	253,381	1,848,381
2036	1,645,000	200,731	1,845,731
2037	1,700,000	145,313	1,845,313
2038	1,760,000	86,925	1,846,925
2039	1,635,000	28,613	1,663,613
TOTALS	$ 30,350,000	$ 6,891,844	$ 37,241,844

Note: The totals above do not include Energy Performace Contracts.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015 Payment of Real Property Tax Refunds Principal	Interest	Total	2014 Construction & Real Property Tax Refunds Principal	Interest	Total
2025	$ 110,000	$ 3,575	$ 113,575	$ 145,000	$ 22,438	$ 167,438
2026	-	-	-	150,000	18,450	168,450
2027	-	-	-	150,000	13,950	163,950
2028	-	-	-	155,000	9,450	164,450
2029	-	-	-	160,000	4,800	164,800
TOTALS	$ 110,000	$ 3,575	$ 113,575	$ 760,000	$ 69,088	$ 829,088

Fiscal Year Ending June 30th	2016 B Refunding of 2009 Principal	Interest	Total	2018 Captial Project - High School Principal	Interest	Total
2025	$ 260,000	$ 44,200	$ 304,200	$ 1,170,000	$ 670,463	$ 1,840,463
2026	270,000	33,800	303,800	1,210,000	634,763	1,844,763
2027	280,000	23,000	303,000	1,245,000	597,938	1,842,938
2028	295,000	11,800	306,800	1,280,000	560,063	1,840,063
2029	-	-	-	1,325,000	520,988	1,845,988
2030	-	-	-	1,365,000	480,638	1,845,638
2031	-	-	-	1,410,000	439,013	1,849,013
2032	-	-	-	1,450,000	396,113	1,846,113
2033	-	-	-	1,495,000	351,938	1,846,938
2034	-	-	-	1,545,000	304,406	1,849,406
2035	-	-	-	1,595,000	253,381	1,848,381
2036	-	-	-	1,645,000	200,731	1,845,731
2037	-	-	-	1,700,000	145,313	1,845,313
2038	-	-	-	1,760,000	86,925	1,846,925
2039	-	-	-	1,635,000	28,613	1,663,613
TOTALS	$ 1,105,000	$ 112,800	$ 1,217,800	$ 21,830,000	$ 5,671,281	$ 27,501,281

Fiscal Year Ending June 30th	2020 Refunding of 2010 and 2012 Bonds Principal	Interest	Total	2021 Refunding of 2013 Bonds Principal	Interest	Total
2025	$ 130,000	$ 45,800	$ 175,800	$ 450,000	$ 166,300	$ 616,300
2026	135,000	40,500	175,500	470,000.00	148,300	618,300
2027	145,000	34,900	179,900	485,000.00	129,500	614,500
2028	150,000	29,000	179,000	505,000.00	110,100	615,100
2029	155,000	22,900	177,900	525,000.00	89,900	614,900
2030	160,000	16,600	176,600	545,000.00	68,900	613,900
2031	165,000	10,100	175,100	570,000.00	47,100	617,100
2032	170,000	3,400	173,400	585,000.00	35,700	620,700
2033	-	-	-	595,000.00	24,000	619,000
2034	-	-	-	605,000.00	12,100	617,100
2035	-	-	-	-	-	-
TOTALS	$ 1,210,000	$ 203,200	$ 1,413,200	$ 5,335,000	$ 831,900	$ 6,166,900

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

"EMMA" shall mean Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" shall mean "financial obligation" as such term is defined in the Rule.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Holder" shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

"Issuer" shall mean the **EASTCHESTER UNION FREE SCHOOL DISTRICT, WESTCHESTER COUNTY, NEW YORK.**

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Purchaser" shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of the date hereof.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

"Securities" shall mean the Issuer's $50,034,000 Bond Anticipation Notes – 2025 , dated January 23, 2025, maturing on January 23, 2026, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

(7) modifications to rights of Securities holders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material,

(15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **January 23, 2025**.

EASTCHESTER UNION FREE SCHOOL DISTRICT

By____
President of the Board of Education

EASTCHESTER UNION FREE SCHOOL DISTRICT

WESTCHESTER COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2024

The Audited Financial Statements, including opinion, were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

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

EASTCHESTER UNION FREE SCHOOL DISTRICT
TABLE OF CONTENTS

Robert S. Abrams
(1926-2014)

R.S. ABRAMS & CO., LLP
Accountants & Consultants for Over 75 years

Marianne E. Van Duyne, CPA
Alexandria M. Battaglia, CPA
Brendan Nelson, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Eastchester Union Free School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of changes in District's schedule of District's proportionate share of the net pension asset/(liability), schedule of District's pension contributions, and total other post-employment benefits liability and related ratios, on pages 6 - 19 and 62 - 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

R.S. Abrams + Co., LLP

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

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

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

1. FINANCIAL HIGHLIGHTS

- The District's total net deficit increased by $4,488,890 or 8.29% to $58,637,996 at June 30, 2024 due to expenses exceeding revenues on the accrual basis of accounting.

- The District received $1,370,640 in operating grants and contributions to support instructional programs.

- Revenue from state sources increased by $4,052,552 or 32.54% from the prior year. This increase is primarily driven by increases in general state aid and lottery aid.

- Fund balance in the general fund increased by $1,299,940 or 10.12% from the prior year. This was due to an excess of revenues and other financing sources over expenditures and other financing uses based on the modified accrual basis of accounting.

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

- New York State Law limits the amount of assigned and unassigned fund balance, excluding encumbrances and amounts designated for the subsequent year's budget, which can be retained by the general fund up to 4.00% of the ensuing year's budget. At the end of the current fiscal year, the District was within the statutory limit.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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

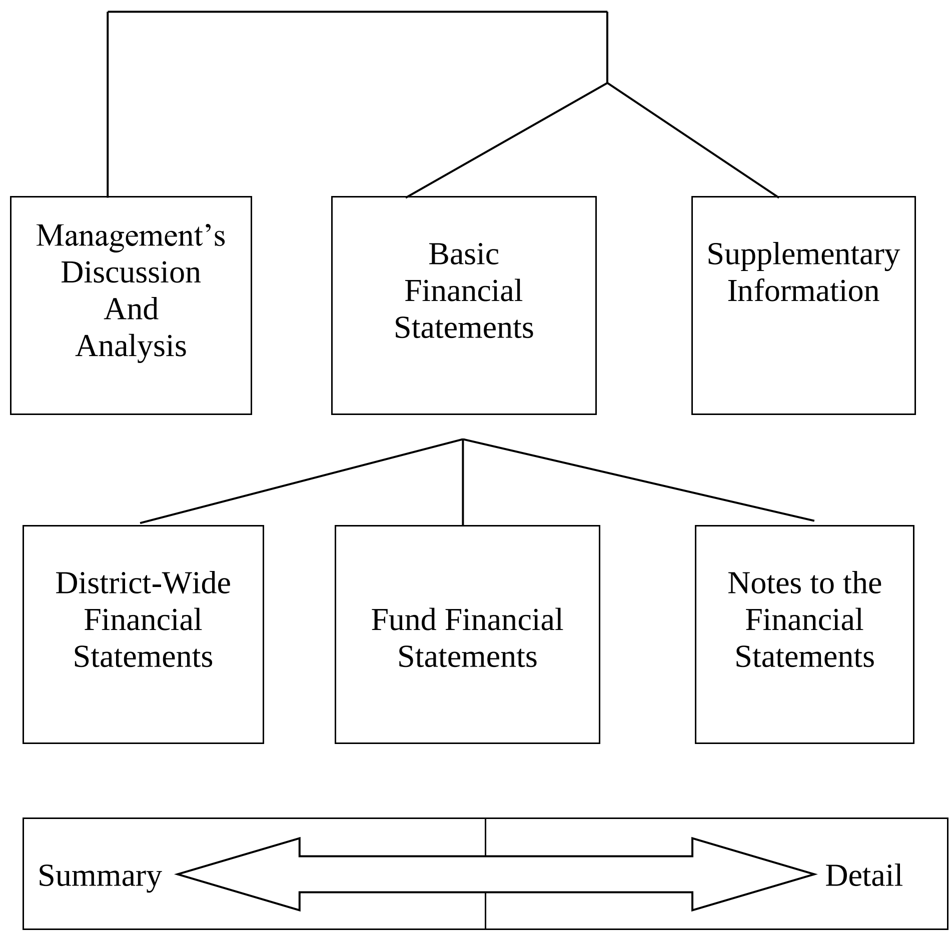
- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.

    - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.

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

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

Organization of the District's Annual Financial Report



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

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

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

	District-Wide Financial Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire entity	The day-to-day operating activities of the District, such as special education and instruction
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus
Type of asset/deferred outflow of resources and liability/deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Current assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets, intangible lease assets, or long-term liabilities included
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable

A) <u>District-Wide Financial Statements:</u>

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 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) <u>Fund Financial Statements:</u>

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

The District has one kind of fund:

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

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position:

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

Condensed Statement of Net Position

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

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

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

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

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

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

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

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

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

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

B) Changes in Net Position:

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

Change in Net Position from Operating Results

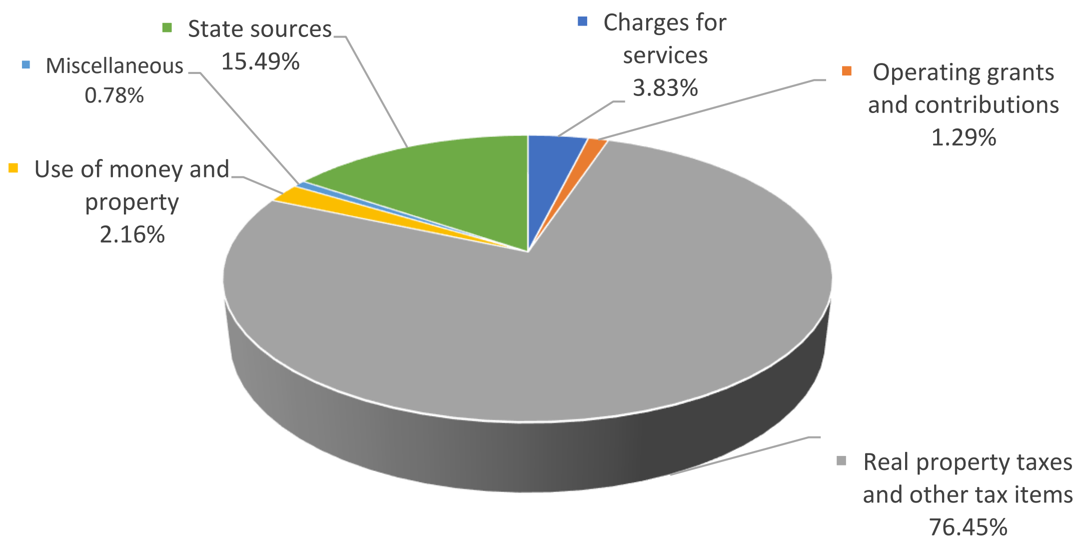
	2024	2023	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	$ 4,081,247	$ 4,340,814	$ (259,567)	(5.98%)
Operating grants and contributions	1,370,640	1,698,449	(327,809)	(19.30%)
General Revenues				
Real property taxes and other tax items	81,485,913	81,314,758	171,155	0.21%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

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

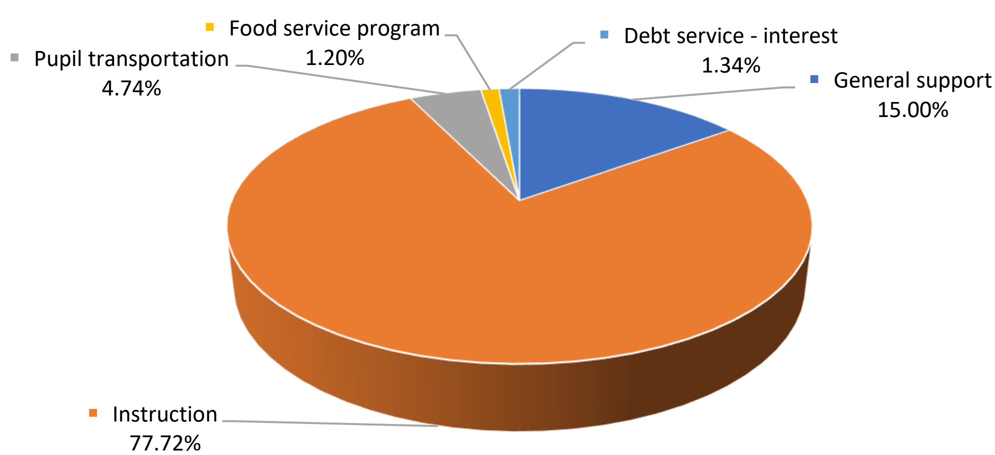
EASTCHESTER UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

Revenues for Fiscal Year 2024:



Expenses for Fiscal Year 2024:



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

Exhibit I

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

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

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

A) General Fund

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

Exhibit I

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

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

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

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

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

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

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

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

B) School Lunch Fund

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

C) Miscellaneous Special Revenue Fund

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

E) Capital Projects Fund

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

D) Debt Service Fund

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

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

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2023-2024 Budget:

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

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

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

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

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

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

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

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

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

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

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

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

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

A) Capital Assets and Intangible Lease Assets:

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

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

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

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

B) Long-Term Debt:

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

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

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

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

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

A) The general fund budget for the 2024-25 school year in the amount of $105,692,491 was approved by voters which is an increase of $3,078,421, or 3.0%, over the 2023-2024 budget. The increase was primarily due to increases in instruction, employee benefits and debt service.

B) Future budgets may be negatively affected by certain trends impacting school districts. These factors include the following:

1. Rising costs in employee salaries and health benefits, as well as contributions to pension programs.
2. Increased costs associated with meeting the requirements for instructional services.
3. Uncertainty with state and federal aid, including new state mandates that may bring changes to state aid formulas that could negatively impact school districts.
4. Rising inflation as well as interest rates, which can affect all areas of the budget.
5. The property tax cap as discussed below.

C) New York State law limits the increase in property taxes levied to the lesser of two percent, or the rate of inflation. The law does allows school districts to levy an additional amount for certain excludable expenditures. An override of the levy limit is also permitted. If the proposed tax levy is within the District's tax levy cap, then the budget is presented and approved by voters. If the proposed tax levy exceeds the District's tax levy cap, the threshold required for approval would be 60 percent of the vote.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

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

Exhibit 2

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

See Accompanying Notes to Financial Statements

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

Exhibit 3

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

See Accompanying Notes to Financial Statements

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

Exhibit 4

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

See Accompanying Notes to Financial Statements

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

Exhibit 5

Total Governmental Fund Balances		$	360,842

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

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

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

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

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

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

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

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

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

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

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

Total Net Position	$	(58,637,996)

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

Exhibit 6

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

See Accompanying Notes to Financial Statements

EASTCHESTER UNION FREE SCHOOL DISTRICT

Exhibit 7

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

Net Change in Fund Balances		$ (11,816,199)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
In the Statement of Activities, certain operating expenses are measured by amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used.		
Decrease in accrued interest payable	$ 1,573	
Increase in compensated absences payable	(214,126)	
Decrease in premiums and deferred amounts on issued debt	99,833	(112,720)
Changes in the proportionate share of net pension asset/liability, total other post employment benefits obligation, and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Employees' retirement system	$ (487,984)	
Teachers' retirement system	(3,253,594)	
Other post-employment benefits	(2,766,437)	(6,508,015)
Capital Related Differences		
Capital outlays to purchase, build or lease assets are reported in the governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position. These assets are then depreciated or amortized over the useful life of the asset and are reported in the Statement of Activities:		
Capital outlays	$ 14,006,624	
Depreciation expense	(2,952,288)	
Lease amortization expense	(187,735)	10,866,601
Long-Term Debt Differences		
Repayment of long-term liabilities is an expenditure in the governmental funds, but reduces long-term liabilities on the Statement of Net Position and does not affect the Statement of Activities.		
Bonds payable	$ 2,425,000	
Lease liability	192,139	
Energy performance contract debt payable	464,304	3,081,443
Change in Net Position		$ (4,488,890)

See Accompanying Notes to Financial Statements

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

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

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

A) Reporting Entity:

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

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

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

B) Joint Venture:

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

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

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

C) Basis of Presentation:

District-Wide Financial Statements:

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

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

Fund Financial Statements:

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

The District reports the following major governmental funds:

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

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

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

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

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

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

D) Measurement Focus and Basis of Accounting:

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

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

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

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

E) Real Property Taxes:

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

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

F) Restricted Resources:

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

G) Interfund Transactions:

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

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

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

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

H) Estimates:

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

I) Cash and Cash Equivalents:

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

J) Receivables:

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

K) Capital Assets:

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

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

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

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

L) **Intangible Lease Assets:**

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

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

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

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

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

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

N) Short-Term Debt:

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

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

O) Collections in Advance:

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

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

P) Employee Benefits – Compensated Absences:

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

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

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

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

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

Q) <u>Other Benefits:</u>

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

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

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

R) <u>Long-Term Debt:</u>

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, construction, or improvements of those assets (net of unspent proceeds), including the deferred inflows of resources, and deferred amounts on refunding.

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

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

Fund Financial Statements:

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

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

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

The District has classified the following reserves as restricted:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Deficit Fund Balance:

The capital projects fund has a deficit unassigned fund balance of $15,542,573. The deficit in the capital projects fund is the result of the District not obtaining permanent financing on capital improvement projects. The deficit unassigned fund balance should be eliminated once permanent financing is obtained by the District.

Order of Use of Fund Balance:

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

T) Future Accounting Pronouncements:

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

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

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

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

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

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

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

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

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

Long-Term Revenue and Expense Differences:

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

Capital Related Differences:

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

Long-Term Debt Transaction Differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A) Budgets:

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

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

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

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

B) Encumbrances:

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

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

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

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

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

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

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

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

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

C) **Investments:**

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

D) **Investment Pools:**

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

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

At June 30, 2024, the District held $22,273,065 in the general fund as cash for investments that consisted of various investments in securities issued by the United States and its agencies.

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

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

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

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

NOTE 5 – PARTICIPATION IN BOCES:

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

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

NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

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

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

District management has deemed these receivables as fully collectible.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

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

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

District management has deemed these receivables as fully collectible.

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

NOTE 8 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:

A) Capital Assets:

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

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

Depreciation expense was charged to governmental functions as follows:

General support	$ 2,311,227
Instruction	634,510
Food service program	6,551
Total	$ 2,952,288

B) Intangible Lease Assets:

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

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

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

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

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

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

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

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

NOTE 10 - SHORT-TERM DEBT:

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

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

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

NOTE 11 – LONG-TERM LIABILITIES:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due within one year
Bonds payable					
Tax certiorari bonds	$ 447,000	$ -	$ (337,000)	$ 110,000	$ 110,000
Construction bonds	32,328,000		(2,088,000)	30,240,000	2,155,000
Total bonds payable	32,775,000	-	(2,425,000)	30,350,000	2,265,000
Bond premium	1,185,788		(128,864)	1,056,924	128,864
Total bonds payable, net	33,960,788	-	(2,553,864)	31,406,924	2,393,864
Other liabilities					
Accrued interest payable	242,419	240,846	(242,419)	240,846	240,846
Lease liability	194,747		(192,139)	2,608	2,608
Energy performance contract debt payable	2,509,796		(464,304)	2,045,492	482,411
Compensated absences payable	6,510,802	1,996,260	(1,782,134)	6,724,928	474,459
Net pension liability - proportionate share - ERS	4,611,776		(1,574,874)	3,036,902	
Net pension liability - proportionate share - TRS	4,394,718		(1,763,071)	2,631,647	
Total other post-employment benefits obligation	108,966,262	8,319,497	(7,669,347)	109,616,412	2711249
Total long-term liabilities	$ 161,391,308	$ 10,556,603	$ (16,242,152)	$ 155,705,759	$ 6,305,437

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

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

A) Bonds Payable:

Bonds payable is comprised of the following:

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

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

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

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

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

B) Lease Liability:

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

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

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

C) Energy Performance Contract Debt Payable:

Energy performance contract debt payable is comprised of the following:

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

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

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

D) Long-Term Interest:

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

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

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

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

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

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

NOTE 13 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System:

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany NY 12211-2395 or by referring to the TRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

ii) Employees' Retirement System:

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

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

      i. Employees contribute 3.5% of their salary throughout active membership.
   c. Employees who joined the system on or after April 1, 2012
      i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Actuarial Assumptions

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

The actuarial valuations used the following actuarial assumptions:

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

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020, System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

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

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

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

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

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:

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

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

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/ (liability).

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

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

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

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
District's proportionate share of the net pension asset/(liability)	$ (9,548,329)	$ (3,036,902)	$ 2,401,491

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
District's proportionate share of the net pension asset/(liability)	$ (40,081,320)	$ (2,631,647)	$ 28,865,147

Pension Plan Fiduciary Net Position

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

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

Payables to the Pension Plan

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

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

NOTE 14 – PENSION PLANS – OTHER:

A) Tax Sheltered Annuities:

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

B) Deferred Compensation Plan:

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

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

A) General Information about the OPEB Plan:

Plan Description

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

Benefits Provided

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

Employees Covered by Benefit Terms

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

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

B) Total OPEB Liability:

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

Actuarial Assumptions and Other Inputs

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

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

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

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

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

C) <u>Changes in Total OPEB Liability:</u>

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

There were no significant plan changes since the last valuation.

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

<u>Sensitivity of the Total OPEB Liability to Changes in the Discount Rate</u>

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

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

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

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

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

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

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

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

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

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

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

NOTE 16– ASSIGNED: APPROPRIATED FUND BALANCE:

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

NOTE 17 – RISK MANAGEMENT:

A) General Information:

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

B) Pool, Risk Sharing:

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

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

C) Health and Accident Insurance:

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

NOTE 18 - COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

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

Assigned: Unappropriated Fund Balance	
General fund for:	
General support	$ 515,843
Instruction	768,925
Employee benefits	5,605
Total general fund	$ 1,290,373

B) Grants:

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

C) Litigation:

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

NOTE 19 – SUBSEQUENT EVENTS:

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

SUPPLEMENTARY INFORMATION

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

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

Budget Basis of Accounting

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

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

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

Budget Basis of Accounting

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

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

NYSERS Pension Plan

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

NYTRS Pension Plan

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

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

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

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

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

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

NYSERS Pension Plan

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

NYTRS Pension Plan

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

See Paragraph on Required Supplementary Information Included in Auditor's Report

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

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

Notes to Schedule:

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

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

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

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

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

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

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

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

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

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

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

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

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

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

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

Robert S. Abrams
(1926-2014)

R.S. ABRAMS & CO., LLP
Accountants & Consultants for Over 75 years

Marianne E. Van Duyne, CPA
Alexandria M. Battaglia, CPA
Brendan Nelson, CPA

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

To the Board of Education
Eastchester Union Free School District

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

Report on Internal Control over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

R.S. Abrams + Co., LLP

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

Robert S. Abrams
(1926-2014)

R.S. ABRAMS & CO., LLP
Accountants & Consultants for Over 75 years

Marianne E. Van Duyne, CPA
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Brendan Nelson, CPA

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

To the Board of Education
Eastchester Union Free School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

R.S. Abrams + Co., LLP

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

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

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

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Eastchester Union Free School District (the "District") under programs of the federal government for the fiscal year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

3. INDIRECT COST RATE

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

4. SUBRECIPIENTS

No amounts were provided to subrecipients.

5. OTHER DISCLOSURES

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

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

PART I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion(s) issued:		*Unmodified*
Internal control over financial reporting:		
Material weakness(es) identified?	______yes	__x__no
Significant deficiencies identified that are not considered to be material weakness(es)?	______yes	__x__none reported
Noncompliance material to financial statements noted?	______yes	__x__no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	______yes	__x__no
Significant deficiencies identified that are not considered to be material weakness(es)?	______yes	__x__none reported
Type of auditor's opinion(s) issued on compliance for major programs:		*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)?	______yes	__x__no

Identification of major programs:

Name of federal program	Assistance Listing Number(s)
Special Education Cluster	84.027, 84.027X
	84.173, 84.173X

Dollar threshold used to distinguish between Type A and Type B Programs		$750,000
Auditee qualified as low risk?	__x__yes	_____No

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

PART II FINANCIAL STATEMENT FINDINGS

There are no financial statements findings to be reported.

PART III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

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

There were no prior year findings or questioned costs.

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

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

FORM OF BOND COUNSEL'S OPINION

January 23, 2025

The Board of Education of the
Eastchester Union Free School District,
in the County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Eastchester Union Free School District, (the "School District"), in the County of Westchester, a school district of the State of New York and have examined a record of proceedings relating to the authorization, sale and issuance of the $50,034,000 Bond Anticipation Notes – 2025 (the "Notes"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof. Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the School District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP