

CITY SCHOOL DISTRICT OF  
NEW ROCHELLE

Basic Financial Statements,  
Supplementary Information and  
Independent Auditors' Report

June 30, 2024

# CITY SCHOOL DISTRICT OF NEW ROCHELLE

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# CITY SCHOOL DISTRICT OF NEW ROCHELLE

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## INDEPENDENT AUDITORS' REPORT

The Board of Education  
City School District of New Rochelle  
New Rochelle, New York:

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City School District of New Rochelle (the District), as of and for the year ended June 30, 2024, and the related notes to 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, each major fund, and the aggregate remaining fund information 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.

#### Emphasis of Matter

As discussed in note 18 to the financial statements, restatements were made to both the general fund and the internal service fund during the year ended June 30, 2024. Our opinions are not modified with respect to this matter.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 additional information on pages 54 through 58 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 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 accompanying other information on pages 59 through 63 and the schedule of expenditures of federal awards (SEFA), 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 other information and the SEFA are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 9, 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.

EFPR Group, CPAs, PLLC

Williamsville, New York  
October 9, 2024

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Management's Discussion and Analysis

June 30, 2024

#### INTRODUCTION

The following is a discussion and analysis of the City School District of New Rochelle's (the District), financial performance for the 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-basis financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

#### FINANCIAL HIGHLIGHTS

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

- The District's total net position (deficit), as reflected in the District-Wide financial statements was (\$367,361,746) which is an increase of \$68,332,633 from the prior year net position deficit.
- The total assets and deferred outflows of resources at June 30, 2024 were \$420,596,062 which is a decrease of \$36,233,578 from \$456,829,640 at June 30, 2023, as a result of changes in the actuarial valuations of the pension systems and other postemployment benefits plan.
- The total liabilities and deferred inflows of resources at June 30, 2024 were \$787,957,808 which is an increase of \$32,099,055 from \$755,858,753 at June 30, 2023, as a result of changes in the actuarial valuation for the other postemployment benefits liability.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statement and supplementary information, both required and not required. 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 governmental fund financial statements that focus on individual parts of the District, reporting the District's operations in greater detail than the District-Wide financial statements.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Management's Discussion and Analysis, Continued

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The 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 as well as schedules detailing additional information related to the total OPEB liability and the net pension liabilities.

#### District-Wide Financial Statements

The District-Wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenue 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 they have changed. Net position - the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources - is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the District's overall health, one needs to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-Wide financial statements, the District's activities are shown as governmental activities. All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

#### Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Governmental Funds - Most of the District's 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 funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-Wide financial statements, additional information following the governmental funds statements explains the relationship (or differences) between them.



CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Figure 1) and changes in net position (Figure 2) of the District's governmental Activities.

Figure 1                      Condensed Statement of Net Position - Governmental Activities

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Current and other assets	\$ 114,960,594	128,179,891	(13,219,297)	-10.31%
Capital assets, net	<u>198,171,943</u>	<u>192,718,629</u>	<u>5,453,314</u>	2.83%
Total assets	<u>313,132,537</u>	<u>320,898,520</u>	<u>(7,765,983)</u>	-2.42%
Deferred outflows of resources	<u>107,463,525</u>	<u>135,931,120</u>	<u>(28,467,595)</u>	-20.94%
Current liabilities	66,930,024	66,466,298	463,726	0.70%
Long-term liabilities	<u>555,896,864</u>	<u>526,190,128</u>	<u>29,706,736</u>	5.65%
Total liabilities	<u>622,826,888</u>	<u>592,656,426</u>	<u>30,170,462</u>	5.09%
Deferred inflows of resources	<u>165,130,920</u>	<u>163,202,327</u>	<u>1,928,593</u>	1.18%
Net position:				
Net investment in capital assets	77,269,039	75,113,372	2,155,667	2.87%
Restricted	48,328,731	49,995,151	(1,666,420)	-3.33%
Unrestricted (deficit)	<u>(492,959,516)</u>	<u>(424,137,636)</u>	<u>(68,821,880)</u>	-16.23%
Total net position	\$ <u>(367,361,746)</u>	<u>(299,029,113)</u>	<u>(68,332,633)</u>	-22.85%

Total net position (deficit) increased \$68,332,633 primarily driven by the change in the actuarial assumptions related to other postemployment benefits.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Management's Discussion and Analysis, Continued

Our analysis in Figure 2 considers the operations of the District's activities.

Figure 2                      Changes in Net Position - Governmental Activities

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenue:				
Program revenue:				
Charges for services	\$ 1,155,805	3,644,894	(2,489,089)	-68.29%
Operating grants and contributions	23,535,288	23,800,737	(265,449)	-1.12%
Capital grants and contributions	1,145,758	599,244	546,514	91.20%
General revenue:				
Real property tax and other tax items	239,734,086	235,251,010	4,483,076	1.91%
State and Federal sources	80,758,396	66,465,910	14,292,486	21.50%
Use of money and property	1,454,517	770,160	684,357	88.86%
Other	<u>3,952,047</u>	<u>3,844,639</u>	<u>107,408</u>	2.79%
Total revenue	<u>351,735,897</u>	<u>334,376,594</u>	<u>17,359,303</u>	5.19%
Expenses:				
General support	54,950,986	46,995,419	7,955,567	16.93%
Instruction	327,690,661	277,574,073	50,116,588	18.06%
Pupil transportation	20,062,475	16,109,715	3,952,760	24.54%
Community services	8,125,640	6,537,790	1,587,850	24.29%
Debt service - interest	3,619,086	2,571,581	1,047,505	40.73%
Food service program	<u>5,619,682</u>	<u>5,281,880</u>	<u>337,802</u>	6.40%
Total expenses	<u>420,068,530</u>	<u>355,070,458</u>	<u>64,998,072</u>	18.31%
Change in net position	\$ <u>(68,332,633)</u>	<u>(20,693,864)</u>	<u>(47,638,769)</u>	-230.21%

Total revenue for the District's governmental activities increased \$17,359,303 primarily due to increases in real property taxes and state and federal sources.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Management's Discussion and Analysis, Continued

Figures 3 and 4 show the percentage of sources of revenue for the years ended June 30, 2024 and 2023.

Figure 3 Sources of Revenue for year ended June 30, 2024

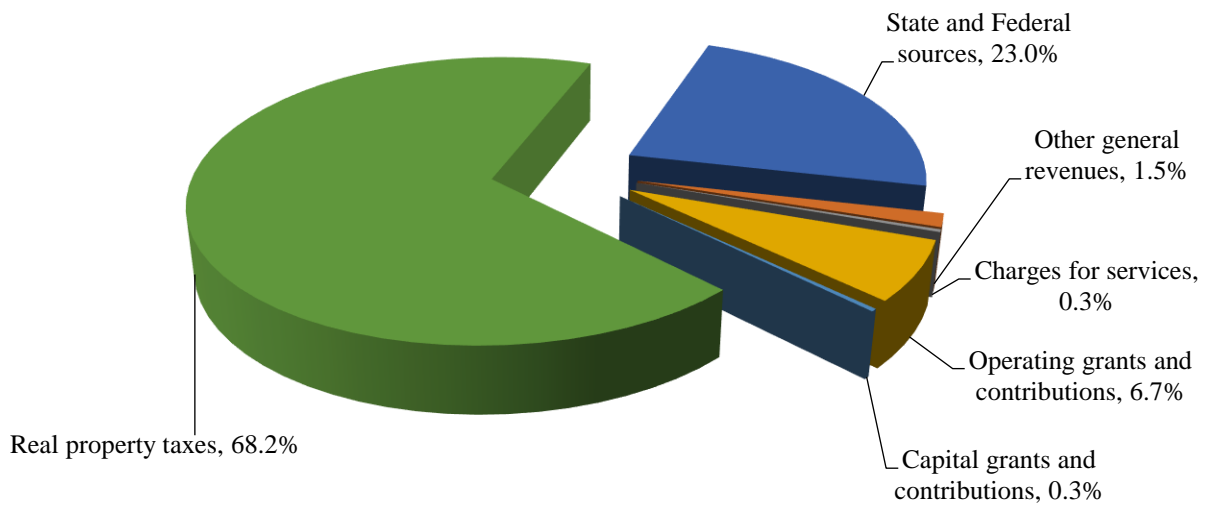
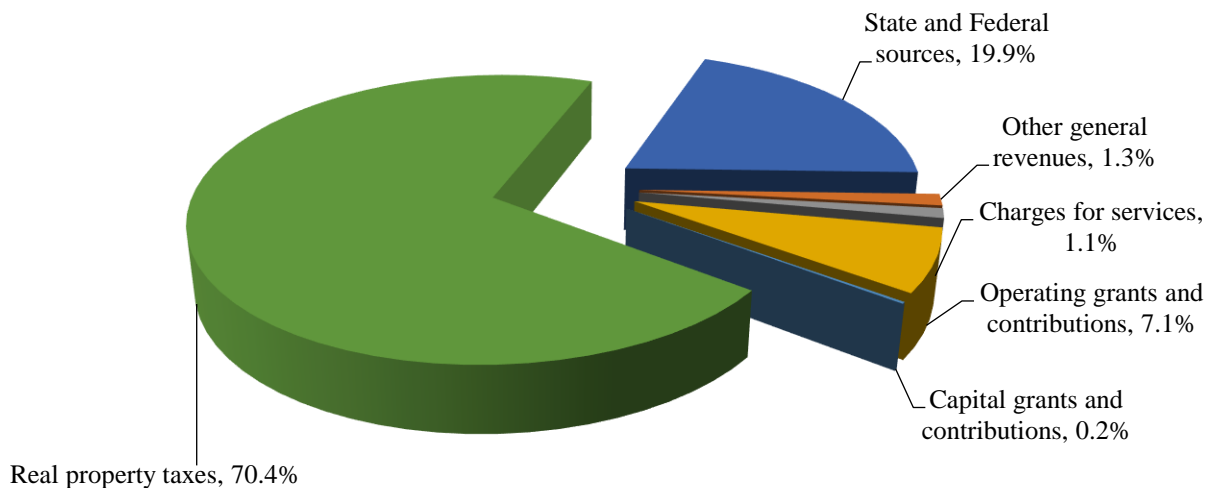


Figure 4 Sources of Revenue for year ended June 30, 2023



CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Management's Discussion and Analysis, Continued

Total expenses for the District's governmental activities increased \$64,998,072 primarily due to increases in instruction as a result of changes in actuarially determined other postemployment benefits liability and increases in transportation costs.

Figures 5 and 6 present the cost for each of the District's programs for the years ended June 30, 2024 and 2023.

Figure 5 Cost of Programs for year ended June 30, 2024

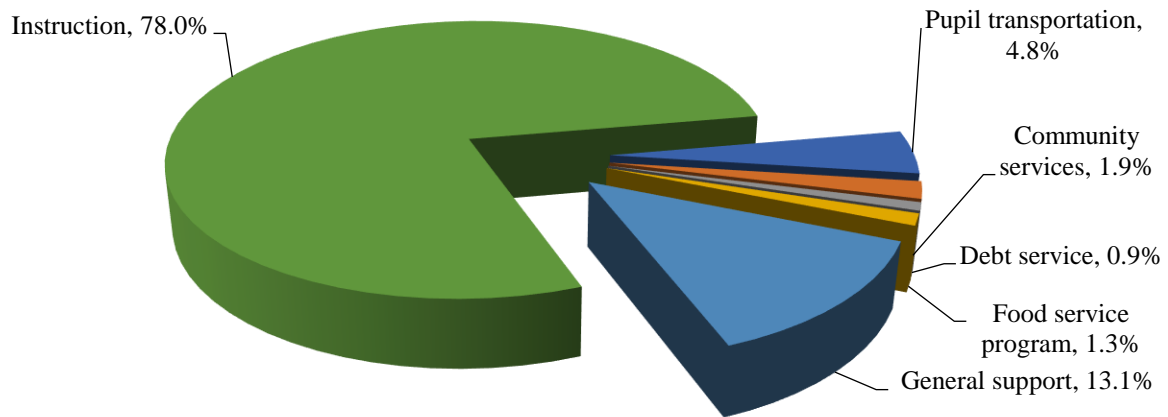
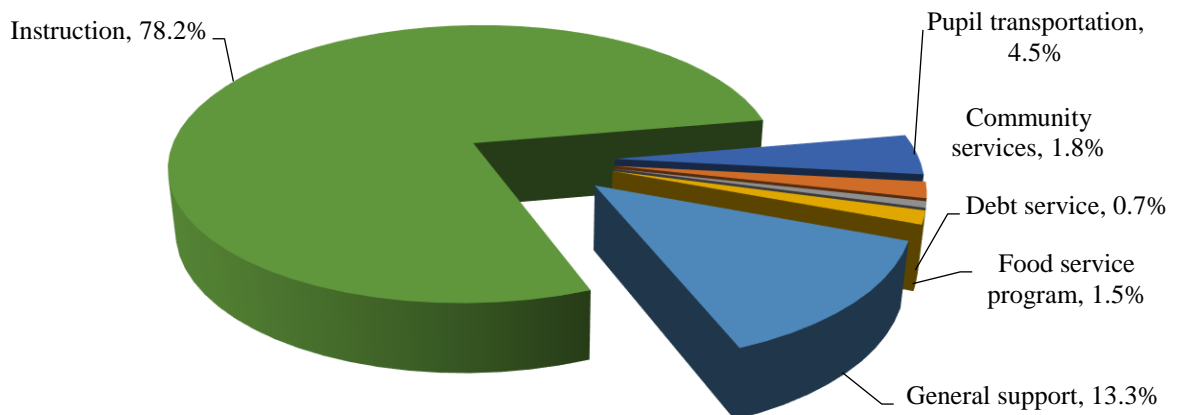


Figure 6 Cost of Programs for year ended June 30, 2023



CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Figure 7 shows the changes in fund balances for the District's funds. As the District completed the year, its governmental funds, as presented in the balance sheet - governmental funds, reported a combined fund balance of \$43,379,819 at June 30, 2024.

Figure 7

	<u>2024</u>	<u>2023*</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General fund	\$ 50,225,889	54,067,896	(3,842,007)	-7.11%
Capital projects fund	(25,951,383)	(16,077,596)	(9,873,787)	-61.41%
School food service fund	2,158,409	1,198,966	959,443	80.02%
Public library fund	1,813,759	2,029,331	(215,572)	-10.62%
Miscellaneous special revenue fund	586,766	624,232	(37,466)	-6.00%
Debt service fund	<u>14,546,379</u>	<u>14,147,481</u>	<u>398,898</u>	2.82%
Total fund balance	\$ <u>43,379,819</u>	<u>55,990,310</u>	<u>(12,610,491)</u>	-22.52%

\* Restated for prior period adjustment detailed in note 18.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was \$4,672,488 or 1.5% of total general fund expenditures.

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances), and variances for the year ended June 30, 2024.

Figure 8 Condensed Budgetary Comparison - General Fund for the year ended June 30, 2024

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual with encumbrances</u>	<u>Total dollar variance</u>
Revenue:				
Real property taxes	\$ 222,785,588	212,717,739	209,873,719	(2,844,020)
Other tax items	6,856,421	16,924,270	20,839,822	3,915,552
State sources	79,682,514	79,682,514	80,159,029	476,515
Other	<u>5,060,719</u>	<u>5,060,719</u>	<u>8,229,939</u>	<u>3,169,220</u>
Total revenue	314,385,242	314,385,242	319,102,509	4,717,267
Appropriated fund balance, reserves	<u>1,750,000</u>	<u>6,422,488</u>	-	(6,422,488)
Budget total	\$ <u>316,135,242</u>	<u>320,807,730</u>	<u>319,102,509</u>	<u>(1,705,221)</u>

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Management's Discussion and Analysis, Continued

Figure 8, Continued

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual with encumbrances</u>	<u>Total dollar variance</u>
Expenses:				
General support	\$ 35,678,082	39,581,928	41,186,492	(1,604,564)
Instruction	171,056,813	173,125,610	177,967,663	(4,842,053)
Pupil transportation	20,424,191	20,891,071	23,718,005	(2,826,934)
Community services	33,230	18,230	18,230	-
Employee benefits	71,584,273	71,477,238	71,089,845	387,393
Debt service	13,592,440	13,592,440	12,975,809	616,631
Transfer to other funds	<u>3,766,213</u>	<u>2,121,213</u>	<u>1,833,132</u>	<u>288,081</u>
Total expenses	\$ <u>316,135,242</u>	<u>320,807,730</u>	<u>328,789,176</u>	<u>(7,981,446)</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District had invested in a broad range of capital assets. Capital assets showed a net increase of \$5,453,314 over June 30, 2023 as shown in Figure 9 as follows.

Figure 9 Capital Assets (Net of Depreciation)

<u>Category</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>
Land	\$ 176,500	176,500	-
Construction-in-progress	138,050,482	126,252,273	11,798,209
Buildings and improvements	59,037,089	65,072,294	(6,035,205)
Machinery and equipment	517,498	601,671	(84,173)
Right-to-use lease assets	<u>390,374</u>	<u>615,891</u>	<u>(225,517)</u>
Total	\$ <u>198,171,943</u>	<u>192,718,629</u>	<u>5,453,314</u>

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Management's Discussion and Analysis, Continued

Figure 9, Continued

Capital asset activity for the year ended June 30, 2024 included the following:

Balance at June 30, 2023	\$ <u>192,718,629</u>
Additions:	
Construction in progress	11,798,209
Machinery and equipment	<u>35,212</u>
Total additions	11,833,421
Less depreciation and amortization expense	<u>(6,380,107)</u>
Total activity	<u>5,453,314</u>
Balance at June 30, 2024	\$ <u>198,171,943</u>

Debt Administration

Debt, both short and long-term, considered a liability of governmental activities, increased \$30,170,462 in 2024, as shown in Figure 10.

Figure 10

Outstanding Debt

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Current liabilities	\$ 41,430,024	43,366,298	(1,936,274)	-4.46%
Bond anticipation notes	25,500,000	23,100,000	2,400,000	10.39%
Bonds payable	95,720,652	104,064,901	(8,344,249)	-8.02%
Energy performance contracts	5,335,284	6,438,619	(1,103,335)	-17.14%
Lease liabilities	390,374	615,891	(225,517)	-36.62%
Claims payable	1,842,277	1,494,046	348,231	23.31%
Compensated absences payable	4,912,289	5,327,199	(414,910)	-7.79%
Net pension liability - proportionate share - ERS	12,419,839	17,409,894	(4,990,055)	-28.66%
Net pension liability - proportionate share - TRS	8,472,133	14,178,958	(5,706,825)	-40.25%
Total OPEB liability	<u>426,804,016</u>	<u>376,660,620</u>	<u>50,143,396</u>	13.31%
Total	\$ <u>622,826,888</u>	<u>592,656,426</u>	<u>30,170,462</u>	5.09%

Additional information on the maturities and terms of the District's outstanding debt can be found in the notes to these financial statements.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Management's Discussion and Analysis, Continued

FACTORS BEARING ON THE DISTRICT'S FUTURE

Voters approved the proposed 2024-2025 budget in the amount of \$347,487,639. As state aid levels have continued to increase over the past three years, the District has been able to reduce its dependency on the use of reserves when budgeting.

Requests for Information

This financial report is designed to provide a general overview of the finances of the City School District of New Rochelle for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City School District of New Rochelle  
Mr. Carlos X. Leal  
Asst. Superintendent of Business  
City Hall, 515 North Avenue  
New Rochelle, New York 10801



CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Statement of Net Position  
June 30, 2024

Assets:	
Current assets:	
Cash and equivalents:	
Unrestricted	\$ 41,580,737
Restricted	39,452,937
Receivables:	
Taxes	13,049,701
State and federal aid	12,718,113
Due from other governments	7,378,678
Other	622,418
Inventory	21,498
Prepaid expenses	136,512
Total current assets	<u>114,960,594</u>
Noncurrent assets - capital assets, net	<u>198,171,943</u>
Total assets	<u>313,132,537</u>
Deferred outflows of resources:	
Employee's retirement system	11,715,943
Teachers' retirement system	55,173,445
Other postemployment benefits	40,574,137
Total deferred outflows of resources	<u>107,463,525</u>
Liabilities:	
Current liabilities:	
Accounts payable	1,611,774
Accrued liabilities	24,486,351
Compensated absences payable	308,900
Due to teachers' retirement system	13,794,383
Due to employees' retirement system	1,228,616
Bond anticipation notes	25,500,000
Total current liabilities	<u>66,930,024</u>
Long-term liabilities:	
Due and payable within one year:	
Lease liabilities	192,189
Bonds payable	8,328,454
Energy performance contracts	1,129,532
Due and payable within more than one year:	
Lease liabilities	198,185
Bonds payable	87,392,198
Energy performance contracts	4,205,752
Claims payable	1,842,277
Compensated absences payable	4,912,289
Net pension liability - proportionate share - ERS System	12,419,839
Net pension liability - proportionate share - TRS System	8,472,133
Total OPEB liability	426,804,016
Total long-term liabilities	<u>555,896,864</u>
Total liabilities	<u>622,826,888</u>
Deferred inflows of resources:	
Unearned revenue	70,419
Employee's retirement system	6,599,093
Teachers' retirement system	5,207,684
Other postemployment benefits	153,253,724
Total deferred inflows of resources	<u>165,130,920</u>
Net position:	
Net investment in capital assets	77,269,039
Restricted	48,328,731
Unrestricted (deficit)	<u>(492,959,516)</u>
Total net position	<u>\$ (367,361,746)</u>

See accompanying notes to financial statements.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Statement of Activities  
Year ended June 30, 2024

		Program Revenue			Net Expense and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	<u>Expenses</u>				
Functions and programs:					
General support	\$ 54,950,986	-	-	-	(54,950,986)
Instruction	327,690,661	882,157	18,434,235	949,107	(307,425,162)
Pupil transportation	20,062,475	-	-	-	(20,062,475)
Community service	8,125,640	11,811	44,672	196,651	(7,872,506)
Debt service - interest	3,619,086	-	-	-	(3,619,086)
Food service program	<u>5,619,682</u>	<u>261,837</u>	<u>5,056,381</u>	<u>-</u>	<u>(301,464)</u>
Total functions and programs	<u>\$ 420,068,530</u>	<u>1,155,805</u>	<u>23,535,288</u>	<u>1,145,758</u>	<u>(394,231,679)</u>
General revenue:					
Real property taxes					218,685,781
Other tax items					21,048,305
Use of money and property					1,454,517
Sale of property and compensation for loss					616,774
Miscellaneous					3,335,273
State sources					80,159,029
Federal sources					<u>599,367</u>
Total general revenue					<u>325,899,046</u>
Change in net position					(68,332,633)
Net position at beginning of year					<u>(299,029,113)</u>
Net position at end of year					<u>\$ (367,361,746)</u>

See accompanying notes to financial statements.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Balance Sheet - Governmental Funds  
June 30, 2024

<u>Assets</u>	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and equivalents:					
Unrestricted	\$ 32,532,747	231,843	6,043,406	2,772,741	41,580,737
Restricted	32,949,611	-	-	6,503,326	39,452,937
Receivables:					
Taxes	13,049,701	-	-	-	13,049,701
Due from other funds	34,596,046	27,651,775	3,342,430	10,196,097	75,786,348
Due from State and Federal	4,785,190	6,937,790	-	995,133	12,718,113
Due from other governments	7,378,678	-	-	-	7,378,678
Other	126,223	496,195	-	-	622,418
Inventory	-	-	-	21,498	21,498
Prepaid expenditures	-	-	-	136,512	136,512
Total assets	<u>\$ 125,418,196</u>	<u>35,317,603</u>	<u>9,385,836</u>	<u>20,625,307</u>	<u>190,746,942</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>					
Liabilities:					
Accounts payable	1,315,449	180,303	4,729	111,293	1,611,774
Accrued liabilities	24,131,598	102,353	-	32,852	24,266,803
Compensated absences	308,900	-	-	-	308,900
Due to other funds	29,721,450	35,012,072	9,832,490	1,220,336	75,786,348
Due to teachers' retirement system	13,794,383	-	-	-	13,794,383
Due to employees' retirement system	1,119,647	-	-	108,969	1,228,616
Bond anticipation notes	-	-	25,500,000	-	25,500,000
Total liabilities	<u>70,391,427</u>	<u>35,294,728</u>	<u>35,337,219</u>	<u>1,473,450</u>	<u>142,496,824</u>
Deferred inflows of resources:					
Deferred tax revenue	4,215,252	-	-	-	4,215,252
Deferred tuition revenue	584,628	-	-	-	584,628
Unearned revenue	1,000	22,875	-	46,544	70,419
Total deferred inflows of resources	<u>4,800,880</u>	<u>22,875</u>	<u>-</u>	<u>46,544</u>	<u>4,870,299</u>
Fund balance:					
Nonspendable	-	-	-	158,010	158,010
Restricted	32,949,611	-	-	15,379,120	48,328,731
Assigned	7,594,660	-	-	3,568,183	11,162,843
Unassigned	9,681,618	-	(25,951,383)	-	(16,269,765)
Total fund balance	<u>50,225,889</u>	<u>-</u>	<u>(25,951,383)</u>	<u>19,105,313</u>	<u>43,379,819</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 125,418,196</u>	<u>35,317,603</u>	<u>9,385,836</u>	<u>20,625,307</u>	<u>190,746,942</u>

See accompanying notes to financial statements.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position  
June 30, 2024

Total governmental fund balance		\$	43,379,819
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			198,171,943
Some deferred outflows of resources and deferred inflows of resources are not reported in the funds. These consist of the following:			
Deferred outflows of resources:			
Employees' retirement system	\$	11,715,943	
Teachers' retirement system		55,173,445	
Other postemployment benefits		40,574,137	
Deferred inflows of resources:			
Employees' retirement system		(6,599,093)	
Teachers' retirement system		(5,207,684)	
Other postemployment benefits		<u>(153,253,724)</u>	(57,596,976)
Deferred revenue reported in the balance sheet - governmental funds but in the statement of net position:			
Property taxes		4,215,252	
Tuition revenue		<u>584,628</u>	4,799,880
Long-term liabilities, that are not due and payable in the current period, and therefore, are not reported in the funds:			
Accrued interest		(219,548)	
Lease liabilities		(390,374)	
Bonds payable		(95,720,652)	
Energy performance contracts		(5,335,284)	
Claims payable		(1,842,277)	
Compensated absences payable		(4,912,289)	
Net pension liability - proportionate share - ERS system		(12,419,839)	
Net pension liability - proportionate share - TRS system		(8,472,133)	
Total OPEB liability		<u>(426,804,016)</u>	<u>(556,116,412)</u>
			<u>(410,741,565)</u>
Total net position		\$	<u>(367,361,746)</u>

See accompanying notes to financial statements.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds  
Year ended June 30, 2024

	General <u>Fund</u>	Special Aid <u>Fund</u>	Capital Projects <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenue:					
Real property taxes	\$ 209,873,719	-	-	6,500,404	216,374,123
Other tax items	20,839,822	-	-	208,483	21,048,305
Charges for services	4,017,656	-	-	11,811	4,029,467
Use of money and property	1,168,122	-	667	285,728	1,454,517
Sale of property and compensation for loss	114,494	-	501,480	800	616,774
Miscellaneous	1,911,476	439,082	10	835,944	3,186,512
State sources	80,159,029	4,432,795	765,000	1,576,675	86,933,499
Federal sources	783,474	14,001,441	-	3,461,092	18,246,007
Surplus food	-	-	-	259,937	259,937
Sales - food services	-	-	-	261,837	261,837
Total revenue	<u>318,867,792</u>	<u>18,873,318</u>	<u>1,267,157</u>	<u>13,402,711</u>	<u>352,410,978</u>
Expenditures:					
General support	39,844,054	-	-	-	39,844,054
Instruction	177,354,042	19,865,237	-	682,316	197,901,595
Pupil transportation	19,829,404	-	-	-	19,829,404
Community service	18,230	-	-	5,547,196	5,565,426
Employee benefits	71,089,845	-	-	1,623,165	72,713,010
Debt service - principal	8,429,371	-	-	-	8,429,371
Debt service - interest	4,546,438	-	-	-	4,546,438
Cost of sales	-	-	-	4,358,775	4,358,775
Capital outlay	-	-	11,982,157	-	11,982,157
Total expenditures	<u>321,111,384</u>	<u>19,865,237</u>	<u>11,982,157</u>	<u>12,211,452</u>	<u>365,170,230</u>
Excess (deficiency) of revenue over expenditures	<u>(2,243,592)</u>	<u>(991,919)</u>	<u>(10,715,000)</u>	<u>1,191,259</u>	<u>(12,759,252)</u>
Other financing sources and (uses):					
Premium on obligations	-	-	-	148,761	148,761
Operating transfers in	234,717	991,919	841,213	-	2,067,849
Operating transfers (out)	<u>(1,833,132)</u>	<u>-</u>	<u>-</u>	<u>(234,717)</u>	<u>(2,067,849)</u>
Total other financing sources (uses)	<u>(1,598,415)</u>	<u>991,919</u>	<u>841,213</u>	<u>(85,956)</u>	<u>148,761</u>
Net change in fund balance	<u>(3,842,007)</u>	<u>-</u>	<u>(9,873,787)</u>	<u>1,105,303</u>	<u>(12,610,491)</u>
Fund balance at beginning of year, as previously stated	52,482,383	-	(16,077,596)	18,000,010	54,404,797
Prior period adjustment (note 18)	1,585,513	-	-	-	1,585,513
Fund balance at beginning of year, as restated	<u>54,067,896</u>	<u>-</u>	<u>(16,077,596)</u>	<u>18,000,010</u>	<u>55,990,310</u>
Fund balance at end of year	<u>\$ 50,225,889</u>	<u>-</u>	<u>(25,951,383)</u>	<u>19,105,313</u>	<u>43,379,819</u>

See accompanying notes to financial statements.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Reconciliation of the Statement of Revenue, Expenditures and Changes in  
in Fund Balance - Governmental Funds to the Statement of Activities  
Year ended June 30, 2024

Net change in fund balances \$ (12,610,491)

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

Governmental funds report capital outlay as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Additions of capital assets	\$ 11,833,421	
Depreciation	<u>(6,380,107)</u>	5,453,314

Revenue in the statement of activities that do not provide current financial  
resources are not reported as revenue in the funds.

Property taxes	2,311,658	
Tuition revenue	<u>(3,135,500)</u>	(823,842)

Repayment of bonds, energy performance contract debt and lease liabilities,  
principal is an expenditure in the governmental funds but the repayment reduces  
long-term liabilities in the statement of net position. The governmental funds also  
report the effect of issuance costs, premiums, and similar items when debt is first  
issued, whereas these amounts are deferred and amortized in the statement of  
activities.

Principal paid on bond payable	7,326,036	
Principal paid on energy performance contracts	1,103,335	
Principal paid on lease liabilities	225,517	
Accrued interest	61,704	
Amortization of deferred loss on bond refundings	(152,565)	
Amortization of premiums on bonds payable	<u>1,018,213</u>	9,582,240

Some expenses reported in the statement of activities do not require the  
use of current financial resources and therefore are not reported as  
expenditures in the governmental funds.

Deferred outflows of resources:

Employees' retirement system	(1,467,352)	
Teachers' retirement system	(19,756,343)	
Other postemployment benefits	(7,091,335)	
Claims payable	(348,231)	
Compensated absences payable	414,910	
Net pension liability - proportionate share - ERS system	4,990,055	
Net pension liability - proportionate share - TRS system	5,706,825	
Total OPEB liability	<u>(50,143,396)</u>	

Deferred inflows of resources:

Employees' retirement system	(5,616,866)	
Teachers' retirement system	2,198,298	
Other postemployment benefits	<u>1,179,581</u>	<u>(69,933,854)</u>

Change in net position of governmental activities	<u>\$ (68,332,633)</u>
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See accompanying notes to financial statements.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Statement of Revenue, Expenses, and Changes in Net Position  
Proprietary Fund  
Year ended June 30, 2024

	Governmental <u>Activities</u> Internal <u>Service Fund</u>
Net position at beginning of year, as previously stated	\$ 91,467
Prior period adjustment (note 18)	<u>(91,467)</u>
Net position at beginning of year, as restated	<u>-</u>
Net position at end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

# CITY SCHOOL DISTRICT OF NEW ROCHELLE

## Notes to Financial Statements

June 30, 2024

### (1) Summary of Significant Accounting Policies

The City School District of New Rochelle (the District), as presently constituted, operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the District and is elected by the voters of the District. The Superintendent serves as the chief executive officer. The District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The accounting policies of the District conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the District's more significant accounting policies:

#### (a) Financial Reporting Entity

The financial reporting entity consists of: a) the primary government, which is the District; b) organizations for which the District is financially accountable; and c) other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The District participates in the Southern Westchester Board of Cooperative Educational Services (BOCES), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statements can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.



## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (b) District-Wide Financial Statements

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

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

##### (c) Fund Financial Statements

The fund financial statements provide information about the District's funds, including proprietary funds. Separate statements for each fund category (governmental and proprietary) are presented.

(1) Governmental Funds - Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major 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 and is used to account for and report all financial resources not accounted for and reported in another fund.

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

Capital Projects Fund - This fund is used to account for and report financial resources used for the acquisition or construction of major capital facilities and other capital assets.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (c) Fund Financial Statements, Continued

###### (1) Governmental Funds, Continued

The District reports the following nonmajor governmental funds:

School Food Service Fund - This fund is used to account for the activities of the school lunch program.

Public Library Fund - This fund is used to account for the operations of the New Rochelle Public Library and is primarily funded by the levy of real property taxes.

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

Miscellaneous Special Revenue Fund - This fund is used to account for the extraclassroom activities funds and scholarships in which the District has administrative control over.

(2) Proprietary Fund - Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The District does not have any funds that operate as proprietary funds.

(3) Fiduciary Funds - These funds are used to account for assets held by the District in an agency capacity on behalf of others. These activities are not included in the District-Wide financial statements because their resources do not belong to the District and are not available to be used. The District does not have any funds that are required to be reported as fiduciary funds.

##### (d) Measurement Focus and Basis of Accounting

The District-Wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. On an accrual basis, revenue from property taxes is recognized in the 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 governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considered all revenue to be available if the revenue is 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, and tuition revenue which is considered to be available if collected within one year after the end of the fiscal year.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (d) Measurement Focus and Basis of Accounting, Continued

Expenditures are recorded when the related governmental fund liability is incurred, except for principal and interest on general long-term debt, claims and judgements, compensated absences, pensions and other postemployment benefits, which are recognized as expenditures in governmental funds. Proceeds from general long-term debt are reported as other financing sources.

##### (e) Property Taxes

Real property taxes are levied annually by the Board of Education no later than October 1<sup>st</sup>, and become a lien on July 1<sup>st</sup>. Taxes are collected during the period October 1<sup>st</sup>, through April 30<sup>th</sup>.

The City in which the District is located enforces real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to the City. Real property taxes receivables expected to be collected within 60 days of the year-end, less similar amounts collected during this period in the preceding year are recognized as revenue. Otherwise unearned revenue offsets real property taxes receivable.

As of June 30, 2024, the District's tax abatement programs include abatements on property made by the City of New Rochelle, New York. All property taxes abated are performed through Payment In Lieu of Tax (PILOT) agreements. The PILOT agreements are made to support economic development activities. As of June 30, 2024, total PILOT payments received were \$5,013,049 and total taxes abated were \$20,986,892 for the District. Total PILOT payments received were \$208,482 and total taxes abated for the Public Library are included in the total taxes abated amount for the District.

##### (f) Estimates

The preparation of financial statements in accordance 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and 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 encumbrances, net pension liabilities and related deferred outflows and inflows of resources, compensated absences, other postemployment benefits, workers' compensation claims liability, potential contingent liabilities and useful lives of long-lived assets.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (g) Cash and Equivalents

The District's cash and equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (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.

##### (h) Accounts Receivables

An allowance for uncollectible accounts has been provided for certain amounts that may not be collectible. There was no allowance for uncollectible accounts as of June 30, 2024.

##### (i) Inventory and Prepaid Items

Inventory of food in the School Food Service Fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventorable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

Nonspendable fund balance for those non-liquid assets (inventory and prepaid items) has been recognized to signify that a portion of the fund balance is not available for other subsequent expenditure.

##### (j) Capital Assets

Capital assets; which include property, plant and equipment, are reported in the District-Wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (j) Capital Assets, Continued

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

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	30
Machinery and equipment	5

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

##### (k) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The government has four items that qualify for reporting in this category. The first item is related to pensions reported in the District-Wide statement of net position. This represents the effect of the net change in the District's proportion of the collective net pension systems (ERS and TRS Systems) and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second is the District's contributions to the pension systems subsequent to the measurement dates. The third item is changes in assumptions related to the other postemployment benefits liability. The fourth item is related to the accounting basis loss on refunding of bonds.

Deferred inflows of resources represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualifies for reporting in this category. The first item is related to pensions reported in the District-Wide statement of net position and represents the effect of the net change in the District's proportion of the collective net position systems (TRS and ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item arises under a modified accrual basis of accounting as is reported as unearned revenue for taxes and tuition where collection of revenue will not occur in the period of availability. The third item is changes in assumptions related to the other postemployment benefits liability.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (l) Compensated Absences

The District employees are granted vacation in varying amounts, based primarily on length of service and service position.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB Statement No. 101 - Compensated Absences, an accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rate in effect at year end.

In the fund statements, only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expended on a pay-as-you-go basis.

##### (m) Other Benefits

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Vesting and funding policies are fully described in note 12. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

##### (n) Short-Term Debt

The District may issue Bond Anticipation Notes (BAN), Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenue or future long-term financing. 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.

##### (o) Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the District-Wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (o) Accrued Liabilities and Long-Term Obligations, Continued

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the statement of net position.

##### (p) Equity Classifications

###### (1) District-Wide Statements

In the District-Wide financial statements there are three classes of net position:

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

Restricted - reports net position when constraints placed on the assets or/deferred outflows of resources 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 - the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

###### (2) Fund Statements

In the fund financial statements there are five classifications of fund balance:

Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form; legally or contractually required to be maintained intact. Nonspendable fund balance includes prepaid expenditures of \$136,512 in the Public Library Fund and inventory of \$21,498 in the School Food Service Fund.

Restricted - 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 School District has established the following restricted fund balances:

Reserve for Workers' Compensation - is used to reserve funds to pay for workers' compensation and benefits, related medical/hospital expenses, and self-insurance administrative costs in accordance with GML §6-j. This reserve is accounted for in the General Fund.

Reserve for Unemployment Benefits - is used to reserve funds to be used for a specific purpose in accordance with General Municipal Law (GML) §6-m of the State of New York. This reserve is accounted for in the General Fund.

Reserve for ERS Retirement Contributions - is used to reserve funds to be used for ERS retirement costs in accordance with GML §6-r of the State of New York. This reserve is accounted for in the General Fund.

CITY SCHOOL DISTRICT OF NEW ROCHELLE

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(p) Equity Classifications, Continued

(2) Fund Statements, Continued

Restricted, Continued

Reserve for TRS Retirement Contributions - is used to reserve funds to be used for TRS retirement costs in accordance with GML §6-r of the State of New York. This reserve is accounted for in the General Fund.

Reserve for Property Loss - is used to reserve funds to be used for establishing and maintaining a program to cover property loss claims incurred in accordance with Education Law (EL) §1709(8c) of the State of New York. This reserve is accounted for in the General Fund.

Reserve for Liability - is used to reserve funds to be used for establishing and maintaining a program to cover liability claims incurred in accordance with EL §1950(4cc) of the State of New York. This reserve is accounted for in the General Fund.

Reserve for Insurance - is used to reserve funds to be used to pay for liability, casualty, or other types of uninsured losses in accordance with GML §6-n of the State of New York. This reserve is accounted for in the General Fund.

Reserve for Tax Certiorari - is used to reserve funds to be used for anticipated judgment, and claims arising out of tax certiorari proceedings in accordance with EL §3651.1-a of the State of New York. This reserve is accounted for in the General Fund.

Reserve for Employee Benefit Accrued Liability - is used to reserve funds for the payment of accrued employee benefits due to an employee upon termination of the employee's service in accordance with GML §6-p. This reserve is accounted for in the General Fund.

Reserve for Future Capital Projects - is used to reserve fund restricted in accordance with the EL §3651 of the State of New York to pay for costs of construction, reconstruction, renovation, expansion and equipping of District buildings and facilities through payments received by the District from the Fair Share Mitigation fund and/or any other legally available funds of the District. This reserve is accounted for in the General Fund.

Future Appropriations Reserve - is used to reserve additional funds to be used for retirement costs for the ensuing year's budget. This reserve is accounted for in the General Fund.

Reserve for Public Library - is used to reserve funds received as gifts and donations to build an endowment fund and financial the gap between the Library budget and the growing needs of the Community. This reserve is accounted for in the Public Library Fund.



CITY SCHOOL DISTRICT OF NEW ROCHELLE

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(p) Equity Classifications, Continued

(2) Fund Statements, Continued

Restricted, Continued

Reserve for Debt Service - is used to reserve funds that reports the difference between assets and liabilities of the Debt Service Fund with constraints placed on their use by Local Finance Law. This reserve is accounted for in the Debt Service Fund.

Reserve for Scholarships - is used to reserve funds for various scholarship awards. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

Reserve for Extraclassroom - is used to reserve funds for extraclassroom activity funds. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

Restricted balance includes the following:

General Fund:

Workers' compensation reserve	\$ 323,485
Unemployment benefits reserve	167,031
Retirement contributions reserves	5,400,000
Property loss reserve	100,000
Liability reserve	154,000
Insurance reserve	1,500,000
Tax certiorari reserve	11,288,805
Employee benefit accrued liability reserve	2,794,425
Future capital projects reserve	10,221,865
Future appropriations reserve	1,000,000
Debt Service Fund	14,546,379
Public Library Fund	245,975
Miscellaneous Special Revenues:	
Scholarships	267,372
Extraclassroom activities	<u>319,394</u>
Total restricted funds	\$ <u>48,328,731</u>

Committed - 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 of Education (Board). The District has no committed fund balance as of June 30, 2024.

Assigned - Includes amounts that can only be used by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances reported in the General Fund amounted to \$5,844,660. Additionally, \$1,750,000 has been appropriated for the 2024-2025 budget and recorded as assigned fund balance.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (p) Equity Classifications, Continued

##### (2) Fund Statements, Continued

Unassigned - Includes all other General Fund fund balance that does not meet the definition of the above four classifications and are deemed to be available for general use by the District.

NYS Real Property Law 1318 limits the amount of unexpected surplus funds a District can retain to no more than 4% of the District's budget 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 are also excluded from the 4% limitation.

##### 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 assigned fund balance to the extent available. 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.

#### (2) Explanation of Certain Differences Between Fund Statements and District-Wide Statements

Due to the differences in the measurement focus and basis of accounting used in the fund statements and the District-Wide 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 Balance 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. This difference primarily results from the additional long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

##### (b) Statement of Revenue, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the funds statement of revenue, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (2) Explanation of Certain Differences Between Fund Statements and District-Wide Statements, Continued

##### (b) Statement of Revenue, Expenditures and Changes in Fund Balance vs. Statement of Activities, Continued

###### (i) Long-term revenue and expense differences

Long-term revenue differences arise because governmental funds report revenue only when they are considered available, whereas the statement of activities reports revenue 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.

###### (ii) 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 as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

###### (iii) Long-term debt transaction differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental 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.

#### (3) Stewardship, Compliance and Accountability

##### (a) Budgetary Data

The District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- (1) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- (2) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- (3) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- (4) The voters are permitted to vote upon the General Fund budget at the annual meeting.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (3) Stewardship, Compliance and Accountability, Continued

##### (a) Budgetary Data, Continued

- (5) If the original proposed budget is not approved by the voters, the Board of Education (Board) has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board may, at that point, adopt a contingency budget. If the Board decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- (6) Formal budgetary integration is employed during the year as a management control device for General, Special Aid and Public Library Funds.
- (7) Budgets for General, Special Aid and Public Library Funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board does not adopt an annual budget for the School Food Service, Debt Service or Internal Service Funds.
- (8) The Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- (9) Appropriations in General, Special Aid and Public Library Funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

##### (b) Line Items in Excess of Budget

Certain individual budgetary line items exceeded their budgetary authorization in the General Fund.

##### (c) Deficit Fund Balance

The Capital Projects Fund has a deficit fund balance of \$25,951,383. This will be funded when the District obtains permanent financing for its current capital projects.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (3) Stewardship, Compliance and Accountability, Continued

##### (d) Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended (Tax Levy Limitation Law), modified previous law by imposing a limit on the amount of real property taxes that a District may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a District could levy 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 District was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year's budget or 120% of the consumer price index (CPI).

Under the Tax Levy Limitation Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the District's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. Districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

#### (4) Cash and Equivalents

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes.

# CITY SCHOOL DISTRICT OF NEW ROCHELLE

## Notes to Financial Statements, Continued

### (4) Cash and Equivalents, Continued

The District's aggregate bank balances, includes balances not covered by depository insurance at year-end, are collateralized as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Governmental activities	\$ <u>81,033,674</u>	<u>92,147,293</u>
Insured by FDIC		\$ 2,881,066
Insured by collateral		88,929,783
Uninsured		<u>336,444</u>
Total cash and equivalents		\$ <u>92,147,293</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$39,452,937 within the governmental funds.

### (5) Receivables

Receivables at June 30, 2024 for individual major funds and non-major funds are summarized as follows:

<u>Description</u>	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>School Food Service Fund</u>	<u>Public Library Fund</u>	<u>Total</u>
Taxes	\$ 13,049,701	-	-	-	13,049,701
Due from State and Federal	4,785,190	6,937,790	940,732	54,401	12,718,113
Due from other governments	7,378,678	-	-	-	7,378,678
Other	<u>126,223</u>	<u>496,195</u>	<u>-</u>	<u>-</u>	<u>622,418</u>
Total	\$ <u>25,339,792</u>	<u>7,433,985</u>	<u>940,732</u>	<u>54,401</u>	<u>33,768,910</u>

### (6) Capital Assets

Capital asset balance and activities for the year ended June 30, 2024 are summarized as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Capital assets, not being depreciated and amortized:				
Land	\$ 176,500	-	-	176,500
Construction-in-progress	<u>126,252,273</u>	<u>11,798,209</u>	<u>-</u>	<u>138,050,482</u>
Total capital assets, not being depreciated and amortized	<u>126,428,773</u>	<u>11,798,209</u>	<u>-</u>	<u>138,226,982</u>

# CITY SCHOOL DISTRICT OF NEW ROCHELLE

## Notes to Financial Statements, Continued

### (6) Capital Assets, Continued

	Balance <u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2024</u>
Capital assets, being depreciated and amortized:				
Buildings and improvements	\$ 226,586,970	-	-	226,586,970
Machinery and equipment	1,390,354	35,212	-	1,425,566
Right-to-use lease assets	<u>993,680</u>	<u>-</u>	<u>-</u>	<u>993,680</u>
Total capital assets, being depreciated and amortized	<u>228,971,004</u>	<u>35,212</u>	<u>-</u>	<u>229,006,216</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	161,514,676	6,035,205	-	167,549,881
Machinery and equipment	788,683	119,385	-	908,068
Right-to-use lease assets	<u>377,789</u>	<u>225,517</u>	<u>-</u>	<u>603,306</u>
Total accumulated depreciation and amortization	<u>162,681,148</u>	<u>6,380,107</u>	<u>-</u>	<u>169,061,255</u>
Total capital assets, being depreciated and amortized, net	<u>66,289,856</u>	<u>(6,344,895)</u>	<u>-</u>	<u>59,944,961</u>
Capital assets, net	\$ <u>192,718,629</u>	<u>5,453,314</u>	<u>-</u>	<u>198,171,943</u>
Depreciation and amortization expense was charged to governmental functions as follows:				
General support				\$ 78,682
Instruction				<u>6,301,425</u>
Total depreciation and amortization expense				\$ <u>6,380,107</u>

### (7) Short-Term Debt

Transactions for short-term debt for the year ended June 30, 2024 are summarized as follows:

Type	Maturity	Interest rate	Balance <u>July 1, 2023</u>	<u>Issued</u>	<u>Redeemed</u>	Balance <u>June 30, 2024</u>
BAN	4/5/2024	5.00%	\$ 17,700,000	-	(17,700,000)	-
BAN	4/5/2024	5.50%	5,400,000	-	(5,400,000)	-
BAN	4/3/2025	4.25%	-	23,100,000	-	23,100,000
BAN	9/25/2024	3.50%	<u>-</u>	<u>2,400,000</u>	<u>-</u>	<u>2,400,000</u>
			\$ <u>23,100,000</u>	<u>25,500,000</u>	<u>(23,100,000)</u>	<u>25,500,000</u>

Interest expense/expenditures on short-term debt amounted to \$1,178,717 for the year ended June 30, 2024.

CITY SCHOOL DISTRICT OF NEW ROCHELLE

Notes to Financial Statements, Continued

(8) Long-Term Liabilities

The District's long-term liabilities and changes therein for the year ended June 30, 2024 are summarized as follows:

	Balance <u>July 1, 2023</u>	New Issues/ <u>Additions</u>	Maturities and/or <u>Payments</u>	Balance <u>June 30, 2024</u>	Due Within <u>One-Year</u>
General Obligation Bonds					
Payable:					
Capital construction	\$ 93,250,017	-	(6,791,036)	86,458,981	7,147,670
Judgments and claims	<u>1,085,000</u>	<u>-</u>	<u>(535,000)</u>	<u>550,000</u>	<u>550,000</u>
	94,335,017	-	(7,326,036)	87,008,981	7,697,670
Plus - unamortized premium on bonds	<u>9,729,884</u>	<u>-</u>	<u>(1,018,213)</u>	<u>8,711,671</u>	<u>630,784</u>
	<u>104,064,901</u>	<u>-</u>	<u>(8,344,249)</u>	<u>95,720,652</u>	<u>8,328,454</u>
Energy performance contracts payable	<u>6,438,619</u>	<u>-</u>	<u>(1,103,335)</u>	<u>5,335,284</u>	<u>1,129,532</u>
Other noncurrent liabilities:					
Lease liabilities	615,891	-	(225,517)	390,374	192,189
Claims payable	1,494,046	1,321,295	(973,064)	1,842,277	-
Compensated absences	5,506,434	-	(285,245)	5,221,189	308,900
Net pension liability - ERS	17,409,894	-	(4,990,055)	12,419,839	-
Net pension liability - TRS	14,178,958	-	(5,706,825)	8,472,133	-
Total OPEB liability	<u>376,660,620</u>	<u>50,143,396</u>	<u>-</u>	<u>426,804,016</u>	<u>-</u>
Total other noncurrent liabilities	<u>415,865,843</u>	<u>51,464,691</u>	<u>(12,180,706)</u>	<u>455,149,828</u>	<u>501,089</u>
Total long-term liabilities	\$ <u>526,369,363</u>	<u>51,464,691</u>	<u>(21,628,290)</u>	<u>556,205,764</u>	<u>9,959,075</u>

Each governmental funds' liability for general obligation bonds, energy performance contracts payable, claims payable, compensated absences, net pension asset/liability and total OPEB liability are liquidated primarily by the General Fund.



# CITY SCHOOL DISTRICT OF NEW ROCHELLE

## Notes to Financial Statements, Continued

### (8) Long-Term Liabilities, Continued

#### (a) General Obligation Bonds Payable

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

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2024</u>
<u>Capital Construction</u>					
Library Construction Bonds	2014	\$ 1,989,526	January, 2036	3.000% - 4.000%	1,255,000
Library Construction Bonds	2018	1,156,756	July, 2032	3.495%	788,981
District-Wide Construction Bonds	2020	33,180,000	June, 2035	2.000% - 5.000%	26,345,000
Refunding Bonds	2020	12,140,000	September, 2024	0.700% - 0.750%	2,635,000
Construction Bonds	2021	54,880,000	June, 2041	2.000% - 5.000%	49,140,000
Construction Bonds	2023	6,575,000	May, 2038	2.893%	6,295,000
Judgments and claims - Tax Certiorari	2015	5,000,000	June, 2025	4.000%	<u>550,000</u>
					\$ <u>87,008,981</u>

The original use premiums on bonds have been deferred and recorded as a liability on the District-Wide financial statements. The premiums are being amortized using the straight-line method over the shorter of the original bonds or the refunded bonds. The current year amortization is \$1,018,213 and is included as a reduction of interest expense on the Statement of Activities.

The original loss on refunded bonds is recorded as a deferred outflow of resources on the District-Wide financial statements. The charges are being amortized using the straight-line method over the shorter of the original bonds or the refunded bonds. The current year amortization is \$152,565 and is included as an increase to interest expense on the Statement of Activities.

#### (b) Energy Performance Contracts Payable

The District, during the 2011-12 fiscal year, entered into a \$6,331,460 contractual agreement to install energy saving equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provided for repayment over fifteen years, with semi-annual installments aggregating \$510,681 through November 2026. Payments include interest at 2.55%. The contract further provided that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The balance due at June 30, 2024 was \$1,229,252.

# CITY SCHOOL DISTRICT OF NEW ROCHELLE

## Notes to Financial Statements, Continued

### (8) Long-Term Liabilities, Continued

#### (b) Energy Performance Contracts Payable, Continued

The District, during the 2014-15 fiscal year, entered into a \$8,968,500 contractual agreement to install energy saving equipment and/or upgrade existing facilities to enhance performance. The terms of the contract provided for repayment over fifteen years, with semi-annual installments aggregating \$734,668 through June 2030. Payments include interest at 2.218%. The contract further provided that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The balance due at June 30, 2024 was \$4,106,032.

#### (c) Payments to Maturity

The annual requirements to amortize all debt outstanding as of June 30, 2024 is as follows:

Year ending	General Obligation Bonds		Energy Performance Contract		Total	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 7,697,670	2,833,856	1,129,532	115,817	8,827,202	2,949,673
2026	4,734,534	2,523,945	1,146,355	88,995	5,880,889	2,612,940
2027	4,966,642	2,290,445	928,476	61,673	5,895,118	2,352,118
2028	5,214,010	2,045,038	691,437	43,982	5,905,447	2,089,020
2029	5,466,656	1,786,692	706,753	29,468	6,173,409	1,816,160
2030-2034	30,549,469	5,644,281	732,731	14,954	31,282,200	5,659,235
2035-2039	21,440,000	4,028,025	-	-	21,440,000	4,028,025
2040-2041	6,940,000	208,900	-	-	6,940,000	208,900
	<u>\$ 87,008,981</u>	<u>21,361,182</u>	<u>5,335,284</u>	<u>354,889</u>	<u>92,344,265</u>	<u>21,716,071</u>

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

#### (d) Interest Expense

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

Interest paid	\$ 3,367,721
Less interest accrued in the prior year	(281,252)
Plus interest accrued in the current year	219,548
Less amortization of premiums	(1,018,213)
Plus amortization of deferred loss on refunding	<u>152,565</u>
Total interest expense for long-term debt	\$ <u>2,440,369</u>

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (8) Long-Term Liabilities, Continued

##### (e) Default

Upon default in the payment of principal or interest on the Bonds or 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 therefore 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 Bonds or the Notes, the owners of such Bonds or the 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 Bonds or 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 Bonds or the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds or 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 Bonds or 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.

#### (9) Claims Payable

The District-Wide financial statements reflect workers' compensation claim liabilities based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (9) Claims Payable, Continued

A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and other factors that are considered to be appropriate modifiers of past experience. An analysis of the activity of unpaid claim liabilities is as follows:

Balance at beginning of year	\$ 1,494,046
Provision for claims and claims adjustment expenses	1,321,295
Claims and claims adjustment expenses paid	<u>(973,064)</u>
Balance at end of year	\$ <u>1,842,277</u>

#### (10) Compensated Absences

Civil service employees may accumulate up to a maximum of 220 days of sick leave. Upon retirement, sick leave is credited to length of service for retirement benefit purposes. Vacation time earned during any fiscal year generally must be used prior to the end of the subsequent fiscal year. However, the District allows employees to carry over up to 10 days of unused vacation leave. Compensated absences are funded by the General Fund. The value of such compensated absences has been reflected in the District-Wide financial statements. At June 30, 2024, the District-Wide financial statement reflected a balance of \$5,221,189 for accrued compensated absences.

#### (11) Pensions

##### (a) Plan Descriptions and Benefits Provided

##### Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS provides the retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. 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 ERS, the election is irrevocable. The New York 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 ERS is included in the State's financial report as a pension trust fund. This report, including information with regard to benefits provided, may be found at [www.osc.state.ny/retire/publications/index.php](http://www.osc.state.ny/retire/publications/index.php) or obtained in writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (11) Pensions, Continued

##### (a) Plan Descriptions and Benefits Provided, Continued

###### Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. TRS 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. TRS 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 but 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, New York 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at [www.nytrs.org](http://www.nytrs.org).

Both ERS and TRS are noncontributory except for employees who joined after July 27, 1976, who contribute 3.0% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 6.0% of their salary for their entire length of service. In addition, employee contribution rates (3.0% to 6.0%) under ERS and TRS tier 6 (those who joined after April 1, 2012) vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

##### (b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported the following liabilities for its proportionate share of the net pension liability for each of the Systems. The net pension liabilities were measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension liabilities used to calculate the net position liabilities were determined by actuarial valuations. The District's proportion of the net pension liabilities were based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS systems in reports provided to the District.

CITY SCHOOL DISTRICT OF NEW ROCHELLE

Notes to Financial Statements, Continued

(11) Pensions, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

	<u>ERS</u>	<u>TRS</u>
Measurement valuation date	3/31/2024	6/30/2023
Net pension liability	\$ <u>12,419,839</u>	<u>8,472,133</u>
District's proportion of the System's net pension liability	0.0843507%	0.740840%
Changes in proportion since the prior measurement date	0.0031631%	0.001926%

For the year ended June 30, 2024, the District's recognized pension expense (benefit) of \$6,172,387 for ERS and \$23,815,483 for TRS. At June 30, 2024, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 4,000,421	20,542,669	338,656	50,769
Changes of assumptions	4,695,662	18,240,252	-	3,975,363
Net difference between projected and actual earnings on pension plan investments	-	4,330,786	6,067,025	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,791,244	98,026	193,412	1,181,552
District's contributions subsequent to the measurement date	<u>1,228,616</u>	<u>11,961,712</u>	<u>-</u>	<u>-</u>
Total	\$ <u>11,715,943</u>	<u>55,173,445</u>	<u>6,599,093</u>	<u>5,207,684</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>ERS</u>	<u>TRS</u>
2025	\$ (1,656,712)	3,213,969
2026	2,770,750	(4,645,224)
2027	3,939,842	33,779,675
2028	(1,165,646)	2,428,929
2029	-	1,971,528
Thereafter	<u>-</u>	<u>1,255,172</u>
	\$ <u>3,888,234</u>	<u>38,004,049</u>

# CITY SCHOOL DISTRICT OF NEW ROCHELLE

## Notes to Financial Statements, Continued

### (11) Pensions, Continued

#### (c) Actuarial Assumptions

The total pension 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 liability to the measurement date. The actuarial valuations used the following actuarial assumptions.

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Investment rate of return (net of investment expense, including inflation)	5.90%	6.95%
Cost-of-living adjustment	1.50% annually	1.30% annually
Salary increases	4.40% Average	1.95% - 5.18%
Inflation rate	2.90%	2.40%

For ERS, to set the long-term expected rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) 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.

Demographic assumptions used in the April 1, 2023 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 - March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

For TRS, annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021 for June 30, 2023, applied on a generational basis.

The demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions. For full details, please refer to the Recommended Actuarial Assumptions 2021 Report, which can be found on the System's website located at [www.nystrs.org](http://www.nystrs.org).

# CITY SCHOOL DISTRICT OF NEW ROCHELLE

## Notes to Financial Statements, Continued

### (11) Pensions, Continued

#### (c) Actuarial Assumptions, Continued

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

The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized below:

Asset type:	ERS		TRS	
	Long-term		Long-term	
	Expected Rate of Return*	Target Allocation	Expected Rate of Return *	Target Allocation
Domestic equity	4.00%	32.00%	6.80%	33.00%
International equity	6.65%	15.00%	7.60%	15.00%
Real estate equity	4.60%	9.00%	6.30%	11.00%
Global equity	-	-	7.20%	4.00%
Domestic fixed income	-	-	2.20%	16.00%
Global bonds	-	-	1.60%	2.00%
High-yield bonds	-	-	4.40%	1.00%
Real estate debt	-	-	3.20%	6.00%
Private equity	7.25%	10.00%	10.10%	9.00%
Private debt	-	-	6.00%	2.00%
Real assets	5.79%	3.00%	-	-
Fixed income	1.50%	23.00%	-	-
Opportunistic/ARS portfolio	5.25%	3.00%	-	-
Credit	5.40%	4.00%	-	-
Cash	0.25%	1.00%	(0.30%)	1.00%
		<u>100.00%</u>		<u>100.00%</u>

\* For ERS, the real rates of return are net of a long-term inflation assumption of 2.90%. For TRS, the real rates of return are net of pension plan investment expenses and long-term inflation expectations.



# CITY SCHOOL DISTRICT OF NEW ROCHELLE

## Notes to Financial Statements, Continued

### (11) Pensions, Continued

#### (d) Discount Rate

The discount rate used to calculate the total pension 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 determined. 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 liability.

#### (e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of each net pension 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 each net pension 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:

ERS	1% Decrease (4.90%)	Current Rate (5.90%)	1% Increase (6.90%)
District's proportionate share of the net pension asset (liability)	\$ (39,049,242)	(12,419,839)	9,821,237
TRS	1% Decrease (5.95%)	Current Rate (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset (liability)	\$ (129,034,888)	(8,472,133)	92,926,357

#### (f) Pension Plan Fiduciary Net Position

The components of the collective net pension liability of participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	3/31/2024	6/30/2023
Employers' total pension liability	\$ (240,697)	(138,365)
Plan net position	<u>225,973</u>	<u>137,221</u>
Employers' net pension liability	\$ <u>(14,724)</u>	<u>(1,144)</u>
Ratio of plan net position to the employers' total pension liability	93.88%	99.20%

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (11) Pensions, Continued

##### (g) 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 \$1,228,616. This amount has been recorded as an expenditure in the governmental fund statements and a deferred cost in the district-wide financial statements. Retirement contributions paid to ERS for the year ended June 30, 2024 amounted to \$4,309,295.

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 intercept. 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, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to \$13,794,383 including employees' share. The District's accrued employer contributions have a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to TRS for the year ended June 30, 2024 amounted to \$11,961,712.

##### (h) Voluntary Defined Contribution Plan

The District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contributions between 3% and 6% depending on salary and the District will contribute 8%.

Employer contributions vest after 365 days of service. No current employees participated in this program.

#### (12) Other Postemployment Benefit Liability (OPEB)

##### (a) Plan Description

In addition to providing pension benefits, the District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the District may vary according to length of service. The cost of providing postemployment health care benefits is shared between the District and the retired employee as noted below. Substantially all of the District's employees may become eligible for those benefits if they reach normal retirement age while working for the District.

There are no assets accumulated in a trust that meet the criteria of GASB Statement No. 75, paragraph 4.

# CITY SCHOOL DISTRICT OF NEW ROCHELLE

## Notes to Financial Statements, Continued

### (12) Other Postemployment Benefit Liability (OPEB), Continued

#### (b) Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Active employees	1,513
Retired employees	<u>1,106</u>
	<u>2,619</u>

#### (c) Total OPEB Liability

The District's total OPEB liability of \$426,804,016 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

#### (d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.40% (Entry Age Normal)
Discount rate	3.93% weighted average
Healthcare cost trend rates	7.50% for 2024, decreasing 0.25% per year to an ultimate rate of 4.50% for 2032 and later

The discount rate was based on the weighted average of three 20-year bond indices (e.g., S&P Municipal Bond 20 Year High Grade Rate Index - 4.21% and Fidelity GO AA 20 Years - 3.97% and 20 Year Tax-Exempt Municipal Bond Yield).

Mortality rates were based on the Society of Actuaries (SOA) Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employees and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current SOA Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the most recent tables for ERS and TRS. ERS and TRS tables were based on a version released in 2023.

#### (e) Changes in the Total OPEB Liability

The District's change in the total OPEB liability for the year ended June 30, 2024 is as follows:

Total OPEB liability - beginning of year	\$ 376,660,620
Service cost	16,897,315
Interest	15,537,762
Effects of plan changes	35,152,535
Effects of demographic gains and losses	12,993,485
Changes in assumptions	(20,524,672)
Benefit payments	<u>(9,913,029)</u>
Total OPEB liability - end of year	\$ <u>426,804,016</u>

CITY SCHOOL DISTRICT OF NEW ROCHELLE

Notes to Financial Statements, Continued

(12) Other Postemployment Benefit Liability (OPEB), Continued

(f) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the District's total OPEB liability calculated using the current discount rate (3.93%), 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 (2.93%)	Current Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 499,750,670	426,804,016	368,198,917

(g) Sensitivity of the Total OPEB Liability to Changes in Healthcare Costs Trend Rates

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

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	\$ 357,149,724	426,804,016	516,919,287

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of \$65,968,179. 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
Difference between expected and actual experience	\$ 11,283,816	-
Changes in assumptions	29,290,321	153,253,724
Total	\$ 40,574,137	153,253,724

CITY SCHOOL DISTRICT OF NEW ROCHELLE

Notes to Financial Statements, Continued

(12) Other Postemployment Benefit Liability (OPEB), Continued

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, Continued

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

<u>Year ending</u>	<u>OPEB</u>
2025	\$ (1,619,433)
2026	(13,590,183)
2027	(20,747,618)
2028	(21,264,091)
2029	(21,255,679)
Thereafter	<u>(34,202,583)</u>
	\$ <u>(112,679,587)</u>

(13) Interfund Transactions

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 34,596,046	29,721,450	234,717	1,833,132
Special aid fund	27,651,775	35,012,072	991,919	-
Capital projects fund	3,342,430	9,832,490	841,213	-
School food service fund	428,478	309,193	-	-
Public library fund	891,825	911,143	-	234,717
Debt service fund	<u>8,875,794</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	\$ <u>75,786,348</u>	<u>75,786,348</u>	<u>2,067,849</u>	<u>2,067,849</u>

Interfund receivables and payables are eliminated on the statement of net position.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (14) Risk Management

The District and other school districts have formed a reciprocal insurance company (the Company) to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber Districts. The Company retains a management company which is responsible for the overall supervision and management of the Company. The Company is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote.

The Company is an “assessable” insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The District purchases various insurance coverages from the Company to reduce its exposure to loss. The District maintains a general liability insurance policy with a limit of \$1 million per occurrence and a school board legal liability policy with a per claim limit of \$1 million. The District also maintains an umbrella policy with a limit of \$25 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is self-insured for workers’ compensation benefits. The governmental funds are charged premiums by the internal service fund. The District also purchases a stop loss policy, which limits the District’s exposure to \$500,000 per occurrence and \$2,000,000 in the aggregate. Unemployment benefits are self-insured by the District and incurred but not reported claims are not material. District also purchases conventional health coverage from a variety of providers.

#### (15) Commitments and Contingencies

##### (a) Litigation

There are currently pending certiorari proceedings in excess of \$40 million, 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 the litigation proceedings. The District has set up reserves to pay for these potential refunds of approximately \$11.3 million. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

## CITY SCHOOL DISTRICT OF NEW ROCHELLE

### Notes to Financial Statements, Continued

#### (15) Commitments and Contingencies, Continued

##### (a) Litigation, Continued

The District is involved in various lawsuits arising from the normal conduct of its affairs. Management believe that the outcome of any matters will not have a material effect on these financial statements.

##### (b) Contingencies

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

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

#### (16) Subsequent Events

The District's administration has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

On September 13, 2024, the Director issued BAN Series 2024C in the amount of \$2,400,000 bearing interest at 3.3006% and TAN for 2024-2025 taxes in the amount of \$35,000,000 bearing interest at 2.948%.

#### (17) Future Implementations of GASB Pronouncements

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncement are not known at this time.

Statement No. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Notes to Financial Statements, Continued

(18) Prior Period Adjustment

During the year ended June 30, 2024, the District made the change from operating a separate internal service fund for workers' compensation claims to paying for these claims directly out of the general fund. Accordingly, fund balance in the general fund, and net position in the internal service fund as of June 30, 2023 were restated as follows:

General Fund:

Fund balance at beginning of year, as previously stated		\$ 52,482,383
Assets:		
Cash and equivalents - unrestricted	\$ 1,627,503	
Due from other funds	<u>(41,990)</u>	<u>1,585,513</u>
Fund balance at beginning of year, as restated		\$ <u>54,067,896</u>

Internal Service Fund:

Net position at beginning of year, as previously stated		91,467
Assets - cash and equivalents - unrestricted	(1,627,503)	
Current liabilities - due to other funds	41,990	
Noncurrent liabilities - claims payable	<u>1,494,046</u>	<u>(91,467)</u>
Net position at beginning of year, as restated		\$ <u>          -</u>



## REQUIRED SUPPLEMENTARY INFORMATION

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Required Supplementary Information  
Schedule of Revenue, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund  
Year ended June 30, 2024

	Original <u>Budget</u>	Final <u>Budget</u>	Actual (Budgetary Basis)	Final Budget Variance With Budgetary <u>Actual</u>
Revenue:				
Local sources:				
Real property taxes	\$ 222,785,588	212,717,739	209,873,719	(2,844,020)
Other tax items	6,856,421	16,924,270	20,839,822	3,915,552
Charges for services	2,870,000	2,870,000	4,017,656	1,147,656
Use of money and property	85,000	85,000	1,168,122	1,083,122
Sale of property and compensation for loss	110,000	110,000	114,494	4,494
Miscellaneous	1,435,000	1,435,000	1,911,476	476,476
State sources	79,682,514	79,682,514	80,159,029	476,515
Federal sources	<u>326,000</u>	<u>326,000</u>	<u>783,474</u>	<u>457,474</u>
Total revenue	314,150,523	314,150,523	318,867,792	4,717,269
Other financing sources:				
Appropriated fund balance/ encumbrances	1,750,000	6,422,488	-	(6,422,488)
Operating transfers in	<u>234,719</u>	<u>234,719</u>	<u>234,717</u>	<u>(2)</u>
Total revenue and other sources	<u>\$ 316,135,242</u>	<u>320,807,730</u>	<u>319,102,509</u>	<u>(1,705,221)</u>

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Required Supplementary Information  
Schedule of Revenue, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund, Continued

	Original <u>Budget</u>	Final <u>Budget</u>	Actual (Budgetary Basis)	Year-End <u>Encumbrances</u>	Final Budget Variance With Budgetary Actual and <u>Encumbrances</u>
Expenditures:					
General support:					
Board of Education	\$ 404,632	440,614	389,806	680	50,128
Central administration	733,028	778,833	688,184	-	90,649
Finance	2,067,551	2,024,248	1,861,237	65,128	97,883
Staff	2,788,989	3,104,561	2,785,865	86,240	232,456
Central services	25,567,191	26,732,973	27,779,993	1,011,576	(2,058,596)
Special items	4,116,691	6,500,699	6,338,969	178,814	(17,084)
Instruction:					
Instruction, adm and imp	16,087,548	15,537,532	13,497,404	137,278	1,902,850
Teaching - regular school	93,414,399	93,531,947	96,320,110	90,537	(2,878,700)
Programs for children with handicapping conditions	35,818,633	36,391,695	38,717,688	287,761	(2,613,754)
Occupational education	4,090,000	4,170,293	4,169,102	-	1,191
Teaching - special schools	397,363	380,249	959,340	187	(579,278)
Instructional media	7,670,671	8,966,382	8,165,238	-	801,144
Pupil services	13,578,199	14,147,512	15,525,160	97,858	(1,475,506)
Pupil transportation	20,424,191	20,891,071	19,829,404	3,888,601	(2,826,934)
Community service	33,230	18,230	18,230	-	-
Employee benefits	71,584,273	71,477,238	71,089,845	-	387,393
Debt service	<u>13,592,440</u>	<u>13,592,440</u>	<u>12,975,809</u>	<u>-</u>	<u>616,631</u>
Total expenditures	312,369,029	318,686,517	321,111,384	5,844,660	(8,269,527)
Other financing uses - transfers to other funds	<u>3,766,213</u>	<u>2,121,213</u>	<u>1,833,132</u>	<u>-</u>	<u>288,081</u>
Total expenditures and other financing uses	<u>\$316,135,242</u>	<u>\$320,807,730</u>	<u>322,944,516</u>	<u>5,844,660</u>	<u>(7,981,446)</u>
Change in fund balance			(3,842,007)		
Fund balance at beginning of year, as restated			<u>54,067,896</u>		
Fund balance at end of year			<u>\$50,225,889</u>		

Budget Basis of Accounting

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

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Required Supplementary Information  
Schedule of District's Proportionate Share of the Net Position Asset/(Liability)  
Year ended June 30, 2024

<u>ERS System</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The District's proportion of the net pension asset/(liability)	0.0843507%	0.0811876%	0.0746528%	0.0797058%	0.0762070%	0.0761407%	0.0737740%	0.0756457%	0.0789126%	0.0796774%
The District's proportionate share of the net pension asset/(liability)	\$ (12,419,839)	(17,409,894)	6,102,562	(79,366)	(20,180,057)	(5,394,798)	(2,381,016)	(7,107,840)	(12,665,693)	(2,691,699)
The District's covered payroll	\$ 32,045,232	30,777,860	26,357,353	28,422,747	26,620,637	26,610,378	25,121,451	24,231,310	23,951,318	23,592,248
The District's proportionate share of the net pension asset/(liability) as a percentage of covered payroll	38.76%	56.57%	23.15%	0.28%	75.81%	20.27%	9.48%	29.33%	52.88%	11.41%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.86%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
<u>TRS System</u>										
The District's proportion of the net pension asset/(liability)	0.740840%	0.738914%	0.732114%	0.718683%	0.697736%	0.700325%	0.704069%	0.703104%	0.707313%	0.708578%
The District's proportionate share of the net pension asset/(liability)	\$ (8,472,133)	(14,178,958)	126,868,312	(19,859,149)	18,127,226	12,663,720	5,351,622	(7,530,533)	73,467,286	78,931,150
The District's covered payroll	\$122,558,525	136,759,504	130,832,051	124,270,147	131,352,631	114,075,060	111,589,396	108,501,263	106,249,709	104,691,044
The District's proportionate share of the net pension asset/(liability) as a percentage of covered payroll	6.91%	10.37%	96.97%	15.98%	13.80%	11.10%	4.80%	6.94%	69.15%	75.39%
Plan fiduciary net position as a percentage of the total pension liability	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Required Supplementary Information  
Schedule of Employer's Pension Contributions  
Year ended June 30, 2024

<u>ERS System</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 4,309,295	4,092,117	3,755,017	4,468,938	3,948,659	3,800,741	3,799,850	3,813,991	4,363,279	4,814,005
Contribution in relation to the contractually required contribution	<u>4,309,295</u>	<u>4,092,117</u>	<u>3,755,017</u>	<u>4,468,938</u>	<u>3,948,659</u>	<u>3,800,741</u>	<u>3,799,850</u>	<u>3,813,991</u>	<u>4,363,279</u>	<u>4,814,005</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	\$ 32,045,232	30,777,860	26,357,353	28,422,747	26,620,637	27,006,189	25,499,837	24,388,724	24,553,491	24,069,960
Contribution as a percentage of covered payroll	13.45%	13.30%	14.25%	15.72%	14.83%	14.07%	14.90%	15.64%	17.77%	20.00%
 <u>TRS System</u>										
Contractually required contribution	\$ 11,961,712	14,072,553	12,821,581	11,842,945	10,819,654	12,369,014	11,179,356	13,078,277	14,387,267	18,625,574
Contribution in relation to the contractually required contribution	<u>11,961,712</u>	<u>14,072,553</u>	<u>12,821,581</u>	<u>11,842,945</u>	<u>10,819,654</u>	<u>12,369,014</u>	<u>11,179,356</u>	<u>13,078,277</u>	<u>14,387,267</u>	<u>18,625,574</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	\$122,558,525	136,759,504	130,832,051	124,270,147	131,352,631	116,469,058	114,075,060	111,589,396	108,501,263	106,249,709
Contribution as a percentage of covered payroll	9.76%	10.29%	9.80%	9.53%	8.24%	10.62%	9.80%	11.72%	13.26%	17.53%

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Required Supplementary Information  
Schedule of Changes in the District's  
Total OPEB Liability and Related Ratios  
Year ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability							
Service cost	\$ 16,897,315	14,247,408	14,794,622	13,521,668	11,678,203	4,552,281	4,419,690
Interest	15,537,762	14,697,945	19,621,018	9,707,360	9,120,390	12,773,151	12,478,735
Effects of plan changes	35,152,535	-	-	-	-	-	-
Effects of demographics gains and losses	12,993,485	-	-	-	-	-	-
Changes of assumptions or other inputs	(20,524,672)	(15,131,174)	(178,343,435)	41,385,845	78,205,909	-	-
Benefit payments	<u>(9,913,029)</u>	<u>(9,204,343)</u>	<u>(8,945,672)</u>	<u>(8,315,235)</u>	<u>(8,332,742)</u>	<u>(8,639,543)</u>	<u>(8,333,503)</u>
Net change in total OPEB liability	50,143,396	4,609,836	(152,873,467)	56,299,638	90,671,760	8,685,889	8,564,922
Total OPEB liability - beginning	<u>376,660,620</u>	<u>372,050,784</u>	<u>524,924,251</u>	<u>468,624,613</u>	<u>377,952,853</u>	<u>369,266,964</u>	<u>360,702,042</u>
Total OPEB liability - ending	<u>\$ 426,804,016</u>	<u>376,660,620</u>	<u>372,050,784</u>	<u>524,924,251</u>	<u>468,624,613</u>	<u>377,952,853</u>	<u>369,266,964</u>
Covered payroll	\$ 173,453,880	173,453,880	173,453,880	157,849,877	157,849,877	123,681,067	123,681,067
Total OPEB liability as a percentage of covered payroll	246.06%	217.15%	214.50%	332.55%	296.88%	305.59%	298.56%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
3.93%	4.00%	3.77%	2.09%	3.50%	3.87%	3.60%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

There are no assets accumulated in a trust that meet the definition of GASB Statement No. 75, paragraph 4.

## OTHER SUPPLEMENTARY INFORMATION

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Other Supplementary Information  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2024

<u>Assets</u>	School Food Service <u>Fund</u>	Public Library <u>Fund</u>	Debt Service <u>Fund</u>	Miscellaneous Special Revenue <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Cash and equivalents:					
Unrestricted	\$ 1,135,636	1,637,105	-	-	2,772,741
Restricted	-	245,975	5,670,585	586,766	6,503,326
Receivables:					
Due from other funds	428,478	891,825	8,875,794	-	10,196,097
Due from state and federal	940,732	54,401	-	-	995,133
Inventory	21,498	-	-	-	21,498
Prepaid expenditures	-	136,512	-	-	136,512
Total assets	<u>\$ 2,526,344</u>	<u>2,965,818</u>	<u>14,546,379</u>	<u>586,766</u>	<u>20,625,307</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>					
Liabilities:					
Accounts payable	1,272	110,021	-	-	111,293
Accrued liabilities	29,843	3,009	-	-	32,852
Due to other funds	309,193	911,143	-	-	1,220,336
Due to employees' retirement system	-	108,969	-	-	108,969
Total liabilities	<u>340,308</u>	<u>1,133,142</u>	<u>-</u>	<u>-</u>	<u>1,473,450</u>
Deferred inflows of resources - unearned revenue	<u>27,627</u>	<u>18,917</u>	<u>-</u>	<u>-</u>	<u>46,544</u>
Fund balance:					
Nonspendable	21,498	136,512	-	-	158,010
Restricted	-	245,975	14,546,379	586,766	15,379,120
Assigned	2,136,911	1,431,272	-	-	3,568,183
Total fund balance	<u>2,158,409</u>	<u>1,813,759</u>	<u>14,546,379</u>	<u>586,766</u>	<u>19,105,313</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,526,344</u>	<u>2,965,818</u>	<u>14,546,379</u>	<u>586,766</u>	<u>20,625,307</u>

See accompanying notes to financial statements.



CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Other Supplementary Information  
Combining Statement of Revenue, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds  
Year ended June 30, 2024

	School Food Service <u>Fund</u>	Public Library <u>Fund</u>	Debt Service <u>Fund</u>	Miscellaneous Special Revenue <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Revenue:					
Real property taxes	\$ -	6,500,404	-	-	6,500,404
Other tax items	-	208,483	-	-	208,483
Charges for services	-	11,811	-	-	11,811
Use of money and property	-	35,591	250,137	-	285,728
Sale of property and compensation for loss	-	800	-	-	800
Miscellaneous	-	191,094	-	644,850	835,944
State sources	1,335,352	241,323	-	-	1,576,675
Federal sources	3,461,092	-	-	-	3,461,092
Surplus food	259,937	-	-	-	259,937
Sales - food services	261,837	-	-	-	261,837
Total revenue	<u>5,318,218</u>	<u>7,189,506</u>	<u>250,137</u>	<u>644,850</u>	<u>13,402,711</u>
Expenditures:					
Instruction	-	-	-	682,316	682,316
Community service	-	5,547,196	-	-	5,547,196
Employee benefits	-	1,623,165	-	-	1,623,165
Cost of sales	4,358,775	-	-	-	4,358,775
Total expenditures	<u>4,358,775</u>	<u>7,170,361</u>	<u>-</u>	<u>682,316</u>	<u>12,211,452</u>
Excess (deficiency) of revenue over expenditures	<u>959,443</u>	<u>19,145</u>	<u>250,137</u>	<u>(37,466)</u>	<u>1,191,259</u>
Other financing sources and (uses):					
Premium on obligations	-	-	148,761	-	148,761
Operating transfers (out)	-	(234,717)	-	-	(234,717)
Total other financing sources (uses)	<u>-</u>	<u>(234,717)</u>	<u>148,761</u>	<u>-</u>	<u>(85,956)</u>
Net change in fund balance	959,443	(215,572)	398,898	(37,466)	1,105,303
Fund balance at beginning of year	<u>1,198,966</u>	<u>2,029,331</u>	<u>14,147,481</u>	<u>624,232</u>	<u>18,000,010</u>
Fund balance at end of year	<u>\$ 2,158,409</u>	<u>1,813,759</u>	<u>14,546,379</u>	<u>586,766</u>	<u>19,105,313</u>

See accompanying notes to financial statements.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Other Supplementary Information  
Schedule of Change from Adopted Budget to Final Budget and  
the Real Property Tax Law Limit Calculation  
Year ended June 30, 2024

Change from adopted budget to final budget:

Original budget	\$ 316,135,242
Add prior year's encumbrances	<u>3,233,834</u>
Adopted budget	319,369,076
Budget revisions	<u>1,438,654</u>
Final budget	<u><u>\$ 320,807,730</u></u>

Section 1318 of Real Property Tax Law Limit Calculation

2025 expenditure budget	<u>\$ 347,487,639</u>
Maximum allowed 4% of 2025 budget	<u><u>\$ 13,899,506</u></u>

General fund fund balance subject to Section 1318 of  
Real Property Tax Law\*:

Unrestricted fund balance:

Assigned fund balance	\$ 7,594,660	
Unassigned fund balance	<u>9,681,618</u>	
Total unrestricted fund balance		17,276,278

Less:

Appropriated fund balance	1,750,000	
Encumbrances included in committed and assigned fund balance	<u>5,844,660</u>	
Total adjustments		<u>7,594,660</u>

General fund fund balance subject to Section  
1318 of Real Property Tax Law

\$ 9,681,618

Actual percentage 2.79%

- \* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," updated April 2011 (originally issued November 2010), the portion of [general fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Other Supplementary Information  
Schedule of Project Expenditures - Capital Projects Fund  
June 30, 2024

Project Title	Appropriation	Transfer	Expenditures and Obligations to Date				Unexpended Balance	Methods of Financing				Fund Balance 6/30/2024
			Revised Appropriation	Prior Year's	Current Year	Total		Proceeds of Obligations	State and Federal Aid	Local Sources	Total	
2012 District-Wide Improvements	\$ 862,386	-	862,386	759,235	103,151	862,386	-	-	-	759,235	759,235	(103,151)
School Building Improvements	869,427	-	869,427	869,427	-	869,427	-	-	-	869,427	869,427	-
Emergency Plumbing Repairs	176,000	-	176,000	176,000	-	176,000	-	-	-	176,000	176,000	-
Webster Emergency Ceiling Repair	2,562,712	-	2,562,712	2,548,141	-	2,548,141	14,571	-	-	2,548,141	2,548,141	-
2016 District-Wide Improvements	106,479,575	-	106,479,575	99,754,690	1,356,137	101,110,827	5,368,748	95,519,963	-	7,535	95,527,498	(5,583,329)
Ward Playground	405,470	255,470	660,940	658,428	2,512	660,940	-	-	-	405,470	405,470	(255,470)
2017 District-Wide Improvements	2,282,585	-	2,282,585	2,172,428	-	2,172,428	110,157	-	-	2,172,428	2,172,428	-
Smart Schools Bond Act	3,527,277	-	3,527,277	2,573,496	438,900	3,012,396	514,881	-	2,574,052	-	2,574,052	(438,344)
2018 District-Wide Improvements	2,433,625	-	2,433,625	2,280,776	152,849	2,433,625	-	-	-	2,433,625	2,433,625	-
2019 District-Wide Improvements	2,003,155	-	2,003,155	1,782,563	92,000	1,874,563	128,592	-	-	2,439,747	2,439,747	565,184
Public Library Improvements	4,246,953	-	4,246,953	4,425,167	58,947	4,484,114	(237,161)	3,500,000	572,710	427,287	4,499,997	15,883
2020 District-Wide Improvements	-	-	-	805,906	1,159,638	1,965,544	(1,965,544)	-	-	2,450,000	2,450,000	484,456
2021 District-Wide Improvements	-	-	-	1,319,688	77,762	1,397,450	(1,397,450)	-	-	2,100,000	2,100,000	702,550
2022 District-Wide Improvements	-	-	-	1,157,921	81,245	1,239,166	(1,239,166)	-	-	1,300,000	1,300,000	60,834
2022 Flood Project	-	-	-	16,209,602	4,032,421	20,242,023	(20,242,023)	-	172,468	1,887,946	2,060,414	(18,181,609)
2023 District-Wide Improvements	-	-	-	586,691	233,735	820,426	(820,426)	-	-	952,206	952,206	131,780
2024 District-Wide Improvements	-	-	-	-	307,811	307,811	(307,811)	-	-	841,213	841,213	533,402
District-Wide Improvements	-	-	-	-	149,950	149,950	(149,950)	-	-	1,480	1,480	(148,470)
District-Wide Improvements	-	-	-	-	3,735,099	3,735,099	(3,735,099)	-	-	-	-	(3,735,099)
Leases	1,011,045	355,711	1,366,756	1,366,756	-	1,366,756	-	1,366,756	-	-	1,366,756	-
Total	<u>\$ 126,860,210</u>	<u>611,181</u>	<u>127,471,391</u>	<u>139,446,915</u>	<u>11,982,157</u>	<u>151,429,072</u>	<u>(23,957,681)</u>	<u>100,386,719</u>	<u>3,319,230</u>	<u>21,771,740</u>	<u>125,477,689</u>	<u>(25,951,383)</u>

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Other Supplementary Information  
Net Investment in Capital Assets  
June 30, 2024

Capital assets, net		\$ 198,171,943
Add - unspent bond and BAN proceeds		6,043,406
Deduct:		
Bond anticipation notes	25,500,000	
Bonds payable	95,720,652	
Energy performance contracts	5,335,284	
Lease liabilities	<u>390,374</u>	<u>(126,946,310)</u>
Net investment in capital assets		<u>\$ 77,269,039</u>

CITY SCHOOL DISTRICT OF NEW ROCHELLE

Federal Grant Compliance Audit

June 30, 2024

**INDEPENDENT AUDITORS' 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**

The Board of Education  
City School District of New Rochelle  
New Rochelle, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City School District of New Rochelle (the District), as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 9, 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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

## 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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards, and which is described in the accompanying schedule of findings and questioned costs as item 2024-002.

## District's Response to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## Purpose of this Report

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

EFPR Group, CPAs, PLLC

Williamsville, New York  
October 9, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Education  
City School District of New Rochelle  
New Rochelle, New York:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City School District of New Rochelle'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 auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the 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.

## Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. 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 GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

EFPR Group, CPAs, PLLC

Williamsville, New York  
October 9, 2024

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2024

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or pass-through number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Education</u>				
Passed-through NYS Education Department:				
Special Education Cluster:				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-1078	\$ 183,707	-
Special Education - Grants to States (IDEA, Part B)	84.027	0032-24-1078	3,557,859	-
Special Education - Grants to States - American Rescue Plan Act	84.027X	5532-22-1078	6,468	-
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-23-1078	66,408	-
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-24-1078	27,619	-
Total Special Education Cluster			3,842,061	-
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	84.010	0021-23-3750	13,009	-
Title I Grants to Local Educational Agencies	84.010	0021-24-3750	2,509,415	-
Total Title I, Part A Cluster			2,522,424	-
Supporting Effective Instruction State Grants	84.367	0147-24-3750	317,108	-
English Language Acquisition State Grants	84.365	0293-23-3750	73,238	-
English Language Acquisition State Grants	84.365	0293-24-3750	134,729	-
English Language Acquisition State Grants	84.365	0149-24-3750	29,659	-
Total English Language Acquisition State Grants			237,626	-
Student Support and Academic Enrichment Program	84.424	0204-23-3750	1,702	-
Student Support and Academic Enrichment Program	84.424	0204-24-3750	65,679	-
Total Student Support and Academic Enrichment Program			67,381	-
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-3750 & 5891-21-3750	507,309	-
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-3750	6,470,867	-
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	5212-21-3015 & 5218-21-3750	36,664	-
Total COVID-19 Education Stabilization Fund			7,014,840	-
Total U.S. Department of Education			14,001,440	-

(Continued)

See notes to schedule of expenditures of federal awards.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Schedule of Expenditures of Federal Awards, Continued

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or pass-through number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Agriculture</u>				
Passed Through NYS Education Department:				
Child Nutrition Cluster:				
Non-Cash Assistance (commodities) -				
National School Lunch Program	10.555	N/A	\$ 259,937	-
Cash Assistance:				
School Breakfast Program (SBP)	10.553	N/A	530,769	-
National School Lunch Program (NSLP)	10.555	N/A	2,930,323	-
Total Child Nutrition Cluster			3,721,029	-
Total U.S. Department of Agriculture			3,721,029	-
<u>U.S. Department of Homeland Security</u>				
Passed through to New York State Division of Homeland Security				
and Emergency Services - Disaster Grants - Public Assistance				
(Presidentially Declared Disasters)	97.036	N/A	184,107	-
Total Federal Awards Expended			\$ 17,906,576	-

See notes to schedule of expenditures of federal awards.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Notes to Schedule of Expenditures of Federal Awards  
Year ended June 30, 2024

(1) Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards programs administered by the City School District of New Rochelle (the District), which is described in note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards passed through from other government agencies. The information is presented in accordance with the requirements of 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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. Certain of the District's federal award programs have been charged with indirect costs, based upon an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect. The District has elected to not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

Non-monetary assistance is reported in the Schedule at the fair market value of commodities received, which is provided by New York State.

(2) Subrecipients

No amounts were provided to subrecipients.

CITY SCHOOL DISTRICT OF NEW ROCHELLE

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified?

☒ Yes ☐ No

2. Significant deficiency(ies) identified?

☐ Yes ☒ None reported

3. Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards:

Internal control over major programs:

4. Material weakness(es) identified?

☐ Yes ☒ No

5. Significant deficiency(ies) identified?

☐ Yes ☒ None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)(Uniform Guidance)?

☐ Yes ☒ No

7. The District's major programs audited were:

Assistance Listing  
Number

Name of Federal Programs

Title I Grants to Local Educational Agencies

84.010

Special Education Cluster

84.027/84.173

Child Nutrition Cluster

10.553/10.555

8. Dollar threshold used to distinguish between Type A and Type B programs.

\$ 750,000

9. Auditee qualified as low-risk auditee?

☐ Yes ☒ No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

See page 73.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings or questioned costs.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
Schedule of Findings and Questioned Costs, Continued

Part II - FINANCIAL STATEMENT FINDINGS SECTION

(2024-001) Significant Audit Adjusting Journal Entries

Criteria - Management is responsible for maintaining accurate accounting records.

Condition - The accounting records did not accurately reflect appropriate balances for several of the balance sheet accounts across multiple funds.

Cause - Several balance sheet accounts were not reconciled prior to the audit.

Effect of Condition - Fifteen audit adjusting journal entries amounting to \$39,996,369 across all funds were required in order to correct the balances of the accounting records of the District.

Repeat Finding - This is a repeat finding of item 2023-001 as reported in the year ended June 30, 2023.

Recommendation - We recommend that significant balance sheet accounts be reconciled at year-end to ensure accounting records accurately reflect appropriate balances.

Management's Response - See accompanying Corrective Action Plan provided by management on page 75.

(2024-002) Expenditures in Excess of Voter Approved Budget

Criteria - New York Consolidated Laws, Education Law §1718(1) states that no board of education shall incur a District liability in excess of the amount appropriated by a District meeting unless such board is specially authorized by law to incur such liability.

Condition - There were increases in spending in general government support, instruction and pupil transportation expenditures due to factors beyond the District's control.

Cause - The District did not monitor spending in relation to the voter approved budget, or make amendments to the budget prior to the commencement of the audit.

Effect of Condition - The General Fund's voter authorized budget was overspent by \$7,981,466. Management did not make budget amendments to address the shortfall, which also needed to be approved by the Board of Education.

Recommendation - The District should monitor its appropriations and make necessary budget amendments to avoid expenditures being overspent.

Management's Response - See accompanying Corrective Action Plan provided by management on page 75.

CITY SCHOOL DISTRICT OF NEW ROCHELLE

Status of Prior Year Findings

June 30, 2024

(2023-001) Significant Audit Adjusting Journal Entries

Condition - The accounting records did not accurately reflect appropriate balances for several of the balance sheet accounts across multiple funds.

Status - Fifteen audit adjusting entries amounting to \$39,996,369 across all funds were required in order to correct the balances of the accounting records of the District. Accordingly, this finding is repeated as finding 2024-001.



CITY SCHOOL DISTRICT OF NEW ROCHELLE

Corrective Action Plan

Year ended June 30, 2024

Name of Auditee: City School District of New Rochelle

Name of Audit Firm: EFPR Group, CPAs, PLLC

Period Covered by the Audit: Year ended June 30, 2024

CAP Prepared by: Carlos Leal, Assistant Superintendent for Business

Phone: 914-576-4300

(A) Current Finding on the Schedule of Findings and Responses

(1) Audit Finding 2024-001 - Significant Audit Adjusting Journal Entries

- (a) Comments on the finding and recommendation: The District agrees with the finding. The District also agrees with the recommendation. See below for actions taken.
- (b) Actions Taken: Management will reconcile significant balance sheet accounts at year end to ensure accounting records accurately reflect appropriate balances.
- (c) Anticipated Completion Date: Management anticipates this finding will be resolved by June 30, 2025.

(2) Audit Finding 2024-002 - Expenditures in Excess of Voter Approved Budget

- (a) Comments on the finding and recommendation: The District overspent the General Fund's voter approved budget by \$7,981,466 due to increases in spending in general government support, instruction and pupil transportation expenditures.
- (b) Actions Taken: The District will more closely monitor the budget throughout the year and post adjustment to the budgetary codes as necessary.
- (c) Anticipated Completion Date: Management anticipates this finding to be resolved by June 30, 2025.

CITY SCHOOL DISTRICT OF NEW ROCHELLE

Extraclassroom Activity Funds and  
Independent Auditors' Report

June 30, 2024

# CITY SCHOOL DISTRICT OF NEW ROCHELLE

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## INDEPENDENT AUDITORS' REPORT

The Board of Education  
City School District of New Rochelle  
New Rochelle, New York:

### Opinion

We have audited the accompanying statement of cash receipts, cash disbursements and cash balances of the City School District of New Rochelle (the District), as of and for the year ended June 30, 2024, and the related note to financial statement, which collectively comprise the District's basic financial statement as listed in the table of contents.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the respective cash basis financial position of the District, as of June 30, 2024, in accordance with the cash basis of accounting described in note 1.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement 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 opinion.

### Emphasis of Matter - Basis of Accounting

We draw attention to note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

## Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 statement.
- 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.

EFPR Group, CPAs, PLLC

Williamsville, New York  
October 9, 2024

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
 Extraclassroom Activity Funds - All Locations  
 Statement of Cash Receipts, Cash Disbursements and Cash Balances  
 Year ended June 30, 2024

<u>Location</u>	<u>Balance at June 30, 2023</u>	<u>Cash Receipts and Transfers</u>	<u>Cash Disbursements and Transfers</u>	<u>Balance at June 30, 2024</u>
New Rochelle High School	\$ 173,931	370,279	(358,206)	186,004
Isaac E. Young Middle School	69,057	108,413	(117,882)	59,588
Albert Leonard Middle School	<u>104,370</u>	<u>166,751</u>	<u>(197,319)</u>	<u>73,802</u>
Total - all locations	<u>\$ 347,358</u>	<u>645,443</u>	<u>(673,407)</u>	<u>319,394</u>

See accompanying note to financial statements.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
 Extraclassroom Activity Funds - New Rochelle High School  
 Statement of Cash Receipts, Cash Disbursements and Cash Balances  
 Year ended June 30, 2024

<u>Extraclassroom Location</u>	<u>Balance at June 30, 2023</u>	<u>Cash Receipts and Transfers</u>	<u>Cash Disbursements and Transfers</u>	<u>Balance at June 30, 2024</u>
New Rochelle High School:				
Senior Class	\$ 15,959	147,038	(150,999)	11,998
Junior Class	555	8,713	(10,629)	(1,361)
Sophomore Class	345	912	(1,009)	248
Athletics Club	2,190	6,759	(1,465)	7,484
Band Club	444	686	(703)	427
Beekeeping Club	-	815	(791)	24
Black Culture Club	4,043	2,163	(2,690)	3,516
Boys Lacrosse Club	1,044	12,349	(10,339)	3,054
Clay Club	-	422	-	422
Computer Science Honor Society	584	-	-	584
Debate Club	-	277	-	277
English Book Club	40	-	-	40
French Honor Society	1,779	469	(386)	1,862
Garden Club	131	1,471	(1,460)	142
Girls Soccer Club	186	14,262	(12,773)	1,675
GSA	135	-	-	135
Hispanic Culture Club	1,299	528	(191)	1,636
Hope from the Heart	3,623	3,023	(5,092)	1,554
HOSA	75	-	-	75
Huguenot Herald	-	285	-	285
Human Rights Coalition	132	92	-	224
Irish Culture Club	59	149	-	208
Italian Culture	-	932	(486)	446
Jewish Activists & Allies Club	134	33	-	167
JSA	4,581	464	(150)	4,895
JV Cheerleading	2,826	7,815	(9,894)	747
Math Honor Society	2,686	1,140	(693)	3,133
Midnight Run	14	38	(37)	15
Model of Congress	8,194	7,318	(7,738)	7,774
Music Concert Club	157	1,189	(872)	474
Muslim Student Association	434	325	-	759
NAACP Youth Council	801	387	-	1,188

(Continued)

See accompanying note to financial statement.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
 Extraclassroom Activity Funds - New Rochelle High School  
 Statement of Cash Receipts, Cash Disbursements and Cash Balances, Continued

<u>Extraclassroom Location</u>	<u>Balance at June 30, 2023</u>	<u>Cash Receipts and Transfers</u>	<u>Cash Disbursements and Transfers</u>	<u>Balance at June 30, 2024</u>
New Rochelle High School, Continued:				
National Art Honor Society	\$ -	196	-	196
National English Honor Society	1,043	270	(615)	698
National Chinese Honor Society	381	138	(124)	395
National Honor Society	8,794	2,685	(7,062)	4,417
New Robots Club	-	2,136	-	2,136
Nintendo Video Game Club	53	228	-	281
Operation Smile Club	709	395	(579)	525
PAVE Club	1,665	1,632	(651)	2,646
Renaissance Gispel Choir	194	203	(182)	215
Robotics Club	3,382	-	(3,382)	-
Rochellean Club	2,432	16,111	(14,116)	4,427
SAAD Club	1,047	5,252	(910)	5,389
Science Honor Society	1,265	402	(313)	1,354
Science Research Club	662	6,048	-	6,710
Soccer Club Boys Varsity	-	18,478	(12,384)	6,094
Social Studies Honor Society	722	500	(700)	522
Spanish Honor Society	698	581	(712)	567
Spirit Club	-	61	-	61
Student GO Club	20,437	479	(3,460)	17,456
Theatre Works Club	35,727	25,003	(23,765)	36,965
Track and Field Club (Girls)	3,073	18,316	(12,172)	9,217
Tri M Honor Society	326	-	-	326
United Culture Club	162	8,500	(8,250)	412
Varsity Cheerleading Club	3,364	10,315	(11,174)	2,505
Varsity Rugby Club	3,532	-	(2,713)	819
Varsity Softball Club	8,271	19,622	(21,425)	6,468
Varsity Volleyball Club	170	94	-	264
Wrestling Club	<u>23,372</u>	<u>12,580</u>	<u>(15,120)</u>	<u>20,832</u>
New Rochelle High School Total	<u>\$ 173,931</u>	<u>370,279</u>	<u>(358,206)</u>	<u>186,004</u>

See accompanying note to financial statement.



CITY SCHOOL DISTRICT OF NEW ROCHELLE  
 Extraclassroom Activity Funds - Issac E. Young Middle School  
 Statement of Cash Receipts, Cash Disbursements and Cash Balances  
 Year ended June 30, 2024

<u>Extraclassroom Location</u>	<u>Balance at June 30, 2023</u>	<u>Cash Receipts and Transfers</u>	<u>Cash Disbursements and Transfers</u>	<u>Balance at June 30, 2024</u>
Isaac E. Young Middle School:				
SO 6th Grade Activities	\$ 6,719	34,525	(26,501)	14,743
SO 7th Grade Activities	2,839	16,802	(13,172)	6,469
SO 8th Grade Activities	31,128	37,098	(51,978)	16,248
SO Castle Ambassadors	6,146	-	(1,342)	4,804
Art Club	293	-	-	293
Castle Choir	544	-	-	544
Dance Club	(111)	3,491	(3,112)	268
Drama Club	4,673	3,959	(2,991)	5,641
French Honor Society	244	-	-	244
Girls Mentoring	51	2,161	(239)	1,973
Graduation	398	-	(398)	-
IBM Counselors	2,161	-	(2,161)	-
Library	1,950	7,075	(7,643)	1,382
NJHS	271	1,652	(1,923)	-
Science	112	-	(112)	-
Yearbook	<u>11,639</u>	<u>1,650</u>	<u>(6,310)</u>	<u>6,979</u>
Isaac E. Young Middle School Total	<u>\$ 69,057</u>	<u>108,413</u>	<u>(117,882)</u>	<u>59,588</u>

See accompanying note to financial statement.

CITY SCHOOL DISTRICT OF NEW ROCHELLE  
 Extraclassroom Activity Funds - Albert Leonard Middle School  
 Statement of Cash Receipts, Cash Disbursements and Cash Balances  
 Year ended June 30, 2024

<u>Extraclassroom Location</u>	<u>Balance at June 30, 2023</u>	<u>Cash Receipts and Transfers</u>	<u>Cash Disbursements and Transfers</u>	<u>Balance at June 30, 2024</u>
Albert Leonard Middle School:				
6th Grade	\$ 161	20,662	(20,343)	480
7th Grade	10,125	21,330	(20,194)	11,261
8th Grade	27,914	47,935	(51,393)	24,456
Agenda Book	416	5,123	(5,523)	16
Book Fair	8,129	5,578	(4,323)	9,384
Drama Club	10,527	16,718	(15,701)	11,544
Gym Suits	3,428	-	(473)	2,955
Jr Honor Society	2,141	3,857	(5,304)	694
Jr Model UN	1,636	-	-	1,636
Pay It Forward	269	-	(43)	226
Performing Arts	4,494	-	(43)	4,451
Social Workers	572	-	(412)	160
Student Council	5,158	9,080	(9,665)	4,573
Yearbook	2,036	4,167	(4,237)	1,966
YES	<u>27,364</u>	<u>32,301</u>	<u>(59,665)</u>	<u>-</u>
Albert Leonard Middle School Total	<u>\$ 104,370</u>	<u>166,751</u>	<u>(197,319)</u>	<u>73,802</u>

See accompanying note to financial statement.

# CITY SCHOOL DISTRICT OF NEW ROCHELLE

## Note to Financial Statement

June 30, 2024

### (1) Summary of Significant Accounting Policies

#### (a) Financial Reporting Entity

The Extraclassroom Activity Funds represent funds of the students of the City School District of New Rochelle (the District). Although the Extraclassroom Activity Funds are independent of the District with respect to employee's of the District, financial transactions, and the designation of student management, the Board of Education exercises general oversight of these funds. Based on this criterion, the Extraclassroom Activity Funds are included in the District's reporting entity. The District reports these funds in a miscellaneous revenue fund in the governmental funds balance sheet and statement of revenue, expenditures and changes in fund balance, on the modified accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. However, for purposes of this report, the District maintains the Extraclassroom Activity Funds on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted. See note 1(b) for additional details.

#### (b) Basis of Accounting

The accounts of the Extraclassroom Activity Funds are maintained on a cash basis, and the statement of cash receipts, cash disbursements and cash balances reflect only cash received and disbursed and transferred between funds. Therefore, receivables and payables, inventory, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statement.