PRELIMINARY OFFICIAL STATEMENT

NEW ISSUES | **SERIAL BOND & BOND ANTICIPATION NOTES**

MOODY'S INVESTORS SERVICE: "Aaa" | **See "BOND RATING" Herein**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds and Notes is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Bonds and Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds and Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and Notes. See "TAX MATTERS" herein.

The Bonds and Notes will NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$57,365,000

CITY SCHOOL DISTRICT OF THE CITY OF RYE

WESTCHESTER COUNTY, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE #: 783668

$41,084,470 School District (Serial) Bonds, 2025

(referred to herein as the "Bonds")

Dated: June 26, 2025 | **Due: June 15, 2026-2049**

MATURITIES†

Year	Amount†	Rate	Yield	CSP	Year	Amount†	Rate	Yield	CSP	Year	Amount†	Rate	Yield	CSP
2026	$ 1,079,470	%	%		2034	$ 1,425,000*	%	%		2042	$1,975,000*	%	%	
2027	1,075,000				2035	1,485,000*				2043	2,055,000*			
2028	1,115,000				2036	1,545,000*				2044	2,140,000*			
2029	1,165,000				2037	1,610,000*				2045	2,230,000*			
2030	1,210,000				2038	1,680,000*				2046	2,325,000*			
2031	1,260,000				2039	1,745,000*				2047	2,420,000*			
2032	1,315,000				2040	1,820,000*				2048	2,520,000*			
2033	1,370,000				2041	1,895,000*				2049	2,625,000*			

* The Bonds maturing in the years 2034-2049 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption."

† Subject to change pursuant to the accompanying Notice of Bond Sale in order to achieve substantially level or declining annual debt service. In addition, the aggregate par amount of the Bonds may be decreased in an amount not in excess of the premium offered by the successful bidder, and the amount of each annual maturity, as set forth herein, may be adjusted to the extent necessary, in order that the total proceeds, which include the total par amount of the bonds plus all or a portion of the original issue premium, if any, received by the District, be used for the capital projects financed by the respective bonds.

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$16,280,530 Bond Anticipation Notes, 2025

(the "Notes")

Dated: June 26, 2025 | **Due: June 26, 2026**

The Bonds and Notes are general obligations of the City School District of the City of Rye, Westchester County, New York (the "School District" or "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX INFORMATION - Tax Levy Limitation Law" herein.

The Notes are not subject to redemption prior to maturity. The Bonds maturing in the years 2034-2049 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption."

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of $5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes $9,470 maturing in 2026. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on June 15, 2026, December 15, 2026 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of $5,000 or any integral multiple thereof, except for one necessary odd denomination which is or includes $9,470 maturing in 2026, and the District will act as paying agent. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than $41,084,470 and accrued interest, if any, on the total principal amount of the Bonds. Proposals for the Bonds must be accompanied by a good faith deposit in the form of a wire transfer or certified or cashier's check, payable to the order of the City School District of the City of Rye, Westchester County, New York, in the amount of $210,000.

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

If Notes are issued as book-entry only registered notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the Purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of $5,000, or integral multiples thereof, except for one necessary odd denomination in the amount which is or includes $5,530 as may be determined by such successful bidder(s). If the Notes are issued as book-entry-only registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Bonds and Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective approving legal opinions as to the validity of the Bonds and Notes of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, New York, New York. It is anticipated that the Bonds and Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, with the purchaser(s), on or about June 26, 2025.

ELECTRONIC BIDS for the Bonds and Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 10, 2025 until 10:30 A.M., Eastern Time, pursuant to the respective Notices of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Bonds or Notes pursuant to the terms provided in the Respective Notices of Sale.

June 3, 2025

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE RESPECTIVE NOTICES OF BOND SALE AND NOTICE OF SALE FOR THE NOTES WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "APPENDIX D" HEREIN. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES AS DESCRIBED IN THE RULE, SEE "APPENDIX - E " HEREIN.

CITY SCHOOL DISTRICT OF THE CITY OF RYE
WESTCHESTER COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

JANE ANDERSON
President

JENNIFER BOYLE
Vice President

CALLIE ERICKSON
TOM STEIN
SHAUN KLOEPFER
MATTHEW SCHIBANOFF
VALERIE LAPHAM

* * * * *

ADMINISTRATION

DR. ERIC BYRNE
Superintendent of Schools

DR. PATRICIA MURRAY
Assistant Superintendent for Curriculum, Instruction and Assessment

DR. BRIAN ALM
Assistant Superintendent for Human Resources

GABRIELLA PERRUCCIO
Assistant Superintendent for Business

KATHERINE VIGGIANO
Assistant School Business Administrator & District Treasurer

INGERMAN SMITH LLP
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051

http://www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

CITY SCHOOL DISTRICT OF THE CITY OF RYE
WESTCHESTER COUNTY, NEW YORK

Relating To

$41,084,470 School District (Serial) Bonds, 2025
&
$16,280,530 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page, has been prepared by the City School District of the City of Rye, Westchester County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $41,084,470 School District (Serial) Bonds, 2025 (the “Bonds”), and $16,280,530 Bond Anticipation Notes, 2025 (the "Notes").

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

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

THE BONDS

Description of the Bonds

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

The Bonds will be dated June 26, 2025 and will mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption." The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date. Interest will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of $5,000 or integral multiples thereof except for one necessary odd denomination which is or includes $9,470 maturing in 2026. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on June 15, 2026, December 15, 2026 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Principal and interest will be paid by the County to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See “BOOK-ENTRY-ONLY SYSTEM” herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of $5,000 or any integral multiple thereof except for one necessary odd denomination which is or includes $9,470 maturing in 2026 and the District will act as paying agent. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Optional Redemption

The Bonds maturing on or before June 15, 2033 shall not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2034 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the District on June 15, 2033 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the District by lot in any customary manner of selection as determined by the President of the Board of Education. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Purpose of Issue –Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution duly adopted by the Board of Education on April 9, 2019 authorizing the issuance of $70,852,616 of serial bonds to finance the construction of additions to and reconstruction of various School District buildings and facilities.

The proceeds of the Bonds along with $560,000 available funds will permanently finance $41,644,470 bond anticipation notes maturing on June 27, 2025 for the aforementioned purpose.

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See “THE NOTES - Nature of the Obligation” and “TAX LEVY LIMITATION LAW” herein.

The Notes will be dated June 26, 2025 and will mature June 26, 2026. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) requested in the name of the purchaser, in certificated denominations of $5,000 or integral multiples thereof as may be determined by such successful bidder(s), except for one necessary odd denomination in the amount which is or includes $5,530 or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Purpose of Issue – Notes

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution duly adopted by the Board of Education on April 9, 2019 authorizing the issuance of $70,852,616 of serial bonds to finance the construction of additions to and reconstruction of various School District buildings and facilities (“Proposition 1”) and authorizing $9,137,384 of serial bonds to finance additional District renovations and improvements (“Proposition 2”).

The proceeds of the Notes will provide $7,143,146 new money against Proposition 1 and $9,137,384 new money against Proposition 2.

No Optional Redemption

The Notes are <u>not</u> subject to redemption prior to maturity.

NATURE OF THE OBLIGATION

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

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such notes or bonds.

The Bonds and Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law" or "Chapter 97"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District's power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX INFORMATION - Tax Levy Limitation Law" herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

> "A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean. So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

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

BOOK-ENTRY-ONLY SYSTEM

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com and www.dtc.org**.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Principal and interest payments on the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued or the purchaser elects to have the Bonds issued in Certificated form, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof except for one necessary odd denomination which is or includes $9,470 maturing in 2026. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will remain payable semi-annually on June 15 and December 15 in each year until maturity commencing June 15, 2026. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

Certificated Notes

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

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof except for one necessary odd denomination in the amount which is or includes $5,530. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in the City of Rye (the “City”), Westchester County, New York, approximately 26 miles northeast of New York City. Its boundaries are conterminous with those of the City except for the section of the City known as Greenhaven, which is part of the neighboring Rye Neck Union Free School District. The present District was consolidated by an act of the New York Legislature, which became a law April 20, 1945, with July 1, 1945 as the effective date.

The City is primarily a residential community with the median value of owner-occupied homes among the highest in Westchester County. Many residents are business executives or professionals who commute to New York City, Fairfield County, Connecticut or within Westchester County.

Transportation facilities include commuter rail service by Metro-North Commuter Railroad and highways including Interstate Highways 95 and 287, which provide connections to the other Westchester parkways and the New York State Thruway. Four U.S. trunk airlines provide regional interconnecting service to principal U.S. cities through Westchester County Airport, which is in close proximity to the District.

A very high level of interest in the educational system exists in the District. Its schools are consistently ranked in the top quartile of competitive Westchester County school districts. All three elementary schools and the middle school have been designated National Blue Ribbon Schools of Excellence. School Excellence Teams at all schools include administrators, faculty, parents, community residents, and students where applicable. An enthusiastic and committed group of volunteers works in the schools and on a number of ad hoc committees of the Board of Education. Cooperative programs among the schools and community organizations enrich classroom learning.

In the past several years, 97% to 98% of all graduates of Rye High School have continued their education, 92% at four-year colleges. Newsweek magazine continues to rank Rye High School in the top 50 high schools in the country (of about 22,500 high schools nationwide) for its extensive Advanced Placement course offerings and for the number of students enrolled in AP classes. Three-year or greater sequences in most subject areas are the norm for almost all students making them highly competitive for college placement. A model writing mentor program is available to high school students, all of whom also participate in a required school and community service program. A wide array of extracurricular activities is available to all students.

Middle school students learn through teacher teams in the core academic areas. A rich elective course option is available to all students.

The elementary school program stresses the mastery of language arts, reading, social studies, science, mathematics and critical thinking skills. Teaching of reading is a balanced approach between phonics and literature. Specific skills are included in journal and portfolio writing. Art, computer, music, library skills, and physical education are taught on all grade levels.

Source: District officials.

Population

The total population of the District is estimated to be 15,347.

The following table presents the population of the City of Rye, with comparative figures for the County and the State.

Year	City of Rye	Westchester County	New York State
2010	15,720	949,113	19,378,102
2020	16,592	1,004,457	20,201,249
2023	16,202	990,817	19,571,216
2024 (Estimate)	N/A	1,006,447	19,867,248

Source: U.S. Census Bureau.

Wealth and Income Indicators

Per capita income statistics are not available for the School District as such. The smallest areas for which such statistics are available, which include the District, are the City of Rye and the County of Westchester. The figures set below with respect to such City and County are included for information only. It should not be inferred from the inclusion of such data in the Continuing Disclosure Statement that the City or the County are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
City of: Rye	$ 93,072	$109,416	$149,370	$209,149	$ 250,000	$ 250,000+
County of: Westchester	47,814	57,953	70,607	100,863	126,992	153,491
State of: New York	30,948	40,898	49,520	67,405	87,270	105,060

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 American Community Survey data.

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Larger Employers

Some of the major employers located within or in close proximity to the District are as follows:

Name of Employer	Industry	Number of Employees
Rye Playland	Amusement Park	596 (1)
City School District of the City of Rye	Public Education	489
Osborne Retirement Home	Retirement Community	480
Lynch Interactive Corp.	Telecommunications	328
Apawamis Club	Private Club	200
Shenorock Shore Club	Private Club	200
Mobius Management Systems Inc.	Computer Technology	175
Rye Country Day School	Education	160
Lillian Vernon Corp.	Catalog and Mail Order Sales	150

(1) Includes seasonal employees.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The information set forth below with respect to the County of Westchester is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County is necessarily representative of the District, or vice versa.

Year Average

	2018	2019	2020	2021	2022	2023	2024
Westchester County	3.9%	3.5%	7.9%	4.7%	3.0%	3.0%	33%
New York State	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%

2025 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Westchester County	3.6%	3.9%	3.4%	N/A	N/A	N/A
New York State	4.6%	4.3%	4.1%	N/A	N/A	N/A

Note: Unemployment rates for April, May and June 2025 are not available as of the date of this Official Statement.

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

Financial Organization

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

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, (the "Board"). Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members of the Board who are elected for a term of three years.

In early July of each year, the Board meets for the purposes of reorganization. At that time, the Board elects a President and Vice President, and appoints a District Clerk and District Treasurer.

The major administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by the Board, include the following: Superintendent of Schools, Assistant Superintendent for Business, District Treasurer and District Clerk.

Budgetary Procedures

Pursuant to the Education Law, the District's Board of Education each year prepares or causes to be prepared a budget for the ensuing fiscal year. The budget, effective for fiscal beginning on or after July 1, 1998, must consist of three parts: program, administration and capital. During November through February the tentative budget is developed and refined in consultation with school principals and department supervisors. At the January through April meetings of the Board of Education the proposed budget is discussed and further refined. The tentative budget is adopted by the Board at its April meeting and submitted to referendum at the Annual Meeting usually held on the third Tuesday of May. Residents of the District who are qualified to vote %may participate in the referendum. Prior to the Annual Meeting a public hearing on the proposed budget is held.

The District's budget is subject to the provisions of Chapter 97 of the Laws of 2011, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. See "TAX LEVY LIMITATION LAW," herein.

Recent Budget Vote Results

The budget for the 2024-25 fiscal was approved by the qualified voters on May 21, 2024. The District's adopted budget for 2024-2025 called for a tax levy increase of 6.55%, which was above the District's maximum allowable tax levy increase of 3.47% for the 2024-2025 fiscal year.

The budget for the 2025-26 fiscal was approved by the qualified voters on May 20, 2025. The District's proposed budget for 2025-2026 calls for a tax levy increase of 3.66%, which is equal to the District's maximum allowable tax levy increase of 3.66% for the 2025-2026 fiscal year.

Summaries of the District's Adopted Budget for the fiscal year 2024-2025 and adopted budget for the fiscal year 2025-2026 fiscal year may be found in "APPENDIX –A", herein.

Investment Policy

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

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District; (5) certificates of participation issued in connection with installment purchase contracts entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

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

The District policy does not permit the District to enter into reverse repurchase agreements or make other derivative type investments.

The District is in full compliance with the above investment policy.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 2.99% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

In addition to the amount of State aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 and 2021 to 2023 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017, the 2023-24 State Budget which was not adopted until May 3, 2023 and the 2025-26 State Budget which was not adopted until April 20, 2024. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal aid received by the State.

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 14.9% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Budget was 3.7 percent lower than in the State's 2019-2020 Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

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

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

School district fiscal year (2023-2024): The State's 2023-24 Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%. The States 2023-24 Budget also provided a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Budget provided $134 million to increase access to free school meals. An additional $20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional $150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

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

*School district fiscal year (2025-2026):*The State's 2025-26 Budget includes approximately $37 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provides an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment", and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date. See also "*School district fiscal year (2021-2022)*" herein.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021, Governor Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enacted this commitment into law.

A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.

The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

The following table provides a summary of the State aid recorded in the District's general fund during the last five audited fiscal years, unaudited projection for the 2024-2025 fiscal year and budgeted figures for the 2025-2026 fiscal year.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 89,687,102	$ 4,052,288	4.52%
2020-2021	91,248,457	3,474,613	3.81
2021-2022	96,223,920	3,341,886	3.47
2022-2023	98,530,232	3,483,434	3.54
2023-2024	102,590,145	3,610,009	3.52
2024-2025 (Budgeted)	107,856,311 (1)	3,202,199	2.97
2025-2026 (Budgeted)	110,567,267 (2)	3,300,967	2.99

(1) Figure does not include $2,700,000 of appropriated fund balance and reserves.
(2) Figure does not include $2,700,000 of appropriated fund balance and reserves.

Source: 2019-2020 through 2023-2024 audited financial statements, the 2024-2025 and 2025-2026 adopted budgets of the District. This table is not audited

District Facilities

The District currently operates the following facilities:

Name	Capacity [(1)]	Year(s) Built/Rebuilt
Rye High/Middle School	1,461	1930, 1954, 1964, 1983, 1992, 1999, 2014, 2020, 2022
Midland Elementary School	891	1950, 1978, 1992, 1995, 2021, 2022
Milton Elementary School	486	1890, 1927, 1966, 1977, 1994, 2005, 2021, 2022
Osborn Elementary School	864	1956, 1964, 1989, 1990, 1997, 2016, 2021, 2022
324 Midland Avenue	47	1900, 1966, 1995

(1) Calculations per State Education Department guidelines.

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-2021	3,107	2025-2026	2,772
2021-2022	2,955	2026-2027	2,924
2022-2023	2,885	2027-2028	3,050
2023-2024	2,821	2028-2029	3,185
2024-2025	2,790	2029-2030	3,185

Source: District records.

Employees

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

Employees	Employee Unit	Contract Expiration Date
308	Rye Teachers Association	June 30, 2028
80	Rye City School Teachers' Aides/Teaching Assistants Unit	June 30, 2029
45	Rye Teachers Association (Secretarial/Clerical/School Nurse and Computer Aid Unit)	June 30, 2026
29	Rye City Schools Custodial Unit	June 30, 2026
16	Rye Administrators Association	June 30, 2027

The District also employs 16 individuals that are not covered by any collective bargaining agreement.

Source: School District officials.

Status and Financing of Employee Pension Benefits

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

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

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

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Effective April 20, 2024, this final average salary calculation for ERS Tier VI members has been changed from five years to the three highest consecutive years of earnings. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The District is required to contribute at an actuarially determined rate to ERS and TRS. The actual contributions since the 2020-2021 fiscal year, unaudited projections for 2024-2025 and budgeted figures for the 2025-2026 fiscal year are as follows:

Fiscal Year	ERS	TRS
2020-2021	$943,416	$4,068,771
2021-2022	997,668	4,371,535
2022-2023	843.265	4,709,413
2023-2024	976,644	4,579,472
2024-2025 (Unaudited)	990,438	4,753,909
2025-2026 (Budgeted)	1,475,000	4,506,585

Source: District officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District currently does not have early retirement incentive programs for its employees.

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

A chart of average ERS and TRS rates as a percent of payroll (2021-22 to 2025-26) is shown below:

State Fiscal Year	ERS	TRS
2021-22	16.2%	9.80%
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59*

*Estimated.

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite

ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

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

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

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

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allowed school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts were permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established a TRS reserve as of June 11, 2019. As of June 30, 2024, the amount funded was $1,451,597.

Other Post-Employment Benefits

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

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

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The District implemented GASB 75 for the fiscal year ended June 30, 2018. The implementation of this statement requires school districts to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required school districts to calculate and report a net OPEB obligation. However, under GASB 45, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires school districts to report the entire OPEB liability on the statement of net position.

The District contracted with Capital Region BOCES to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

Balance beginning at June 30:	2022	2023
Changes for the year:	$ 157,418,358	$ 165,827,006
Service cost	7,236,345	7,805,935
Interest	5,767,114	6,267,105
Differences between expected and actual experience	-	8,045,435
Changes in assumptions or other inputs	(1,080,523)	(8,213,141)
Changes of benefit terms	-	-
Benefit payments	(3,514,288)	(3,897,862)
Net Changes	$ 8,408,648	$ 10,007,472
Balance ending at June 30:	2023	2024
	$ 165,827,006	$ 175,834,478

Note: The above table is not audited. For additional information see "APPENDIX – E" attached hereto.

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

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

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

Other Information

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

The District complied with the procedure for the publication of the estoppel notice with respect to the Bonds and Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the School District is past due. See "CONTINUING DISCLOSURE – Historical Disclosure Compliance" for information relating to the School District's debt payments.

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

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the School District.

Financial Statements

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for school districts. Such accounts are audited annually by independent auditors, and are available for public inspection upon request. The District's audited financial statements for the fiscal year ended June 30, 2024 are attached hereto as "APPENDIX – E". Certain financial information of the District can be found attached as Appendices to the Official Statement.

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

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

Nugent & Haeussler, P.C., the independent auditor for the District, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Nugent & Haeussler, P.C also has not performed any procedures relating to this Official Statement

Unaudited Results for Fiscal Year Ending June 30, 2025

The District expects to end the fiscal year ending June 30, 2025 with a cumulative unassigned fund balance of $4,530,691.

Summary unaudited information for the General Fund for the period ending June 30, 2025 is as follows:

Revenues:	$	108,270,855
Expenditures:	$	107,620,962
Excess (Deficit) Revenues Over Expenditures:	$	649,893
Total Fund Balance at June 30, 2024:	$	20,544,528
Total Estimated Fund Balance at June 30, 2025:	$	21,194,421

The audited report for the fiscal year ending June 30, 2025 is expected to be available on or about October 15, 2025.

Note: These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

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New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on June 21, 2024. The purpose of the audit was to determine whether Rye City School District (District) officials ensured overtime was properly budgeted, approved, monitored, recorded, and paid.

Key Findings:

Although overtime was properly approved and monitored, District officials did not properly budget, record or pay overtime. District officials did not budget for approximately $600,000 of incurred overtime, and generally recorded it as salaries. As a result, residents are not being made aware of what the District expects to incur in overtime costs and the budgets are not transparent regarding overtime.

The Audit analyzed the overtime paid to 15 employees with the highest overtime charges for their positions for the audit period and reviewed all of their time records and payments totaling $428,220 and determined officials:

- Recorded $409,391 as salaries, which precluded officials from monitoring overtime expenditures because they did not know how much overtime was being paid. The District also lacked overtime monitoring policies and procedures.
- Paid six employees $2,097 in overtime wages without proper supporting documentation to determine the purpose of the overtime worked. Therefore, officials paid overtime without knowing why the additional payroll costs were incurred.
- Improperly paid an employee $239 for overtime they did not work.

Key Recommendations:

- Develop realistic overtime budget estimates
- Develop overtime policies and procedures and monitor overtime costs. A copy of the complete report can be found via the website of the Office of the New York State Comptroller.

District officials disagreed with certain aspects of the findings but indicated they have initiated corrective action. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

Other than noted above, there are currently no other State Comptrollers audits of the District that are in progress or pending release at this time.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the past five fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0

Source: Website of the Office of the New York State Comptroller.

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

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Taxable Assessed Value	$ 128,814,207	$ 129,018,266	$ 130,758,800	$ 135,980,625	$ 132,832,930
Taxable Full Valuation	8,050,887,938	7,772,184,699	8,895,156,463	10,541,133,721	10,542,296,032

Tax Rate Per $1,000 (Full)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
	$ 10.17	$ 10.70	$ 11.39	$ 10.02	$ 9.60

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy (1)	$ 84,048,338	$ 86,350,947	$ 89,778,350	$ 92,646,808	$ 98,714,887
Amount Uncollected	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Gross tax levy prior to adjustments (tax roll additions, shortages, cancellations and refunds).

Tax Collection Procedures

The District collects its own taxes which are payable in two installments, the first of which is due on August 1 and may be paid through August 31 without penalty. A penalty of 2% to 12%, depending upon payment date, is added on delinquent payments after September 1. The second installment is due on November 1 and may be paid through November 30, without penalty. A penalty of 2% to 10%, depending upon payment date, is added on delinquent payments after December 1. An additional 5% collection fee, in addition to the tax and penalty due, is added to all payments made on or after December 20. On June 30 of each year, the City of Rye is obligated to make the District whole on its tax collections.

Ten of the Largest Taxpayers

Name	Type	Assessed Valuation
Con Edison	Public Utility	$ 4,407,555
The Miriam Osborn Mem. Home	Retirement Community	2,136,220
Rye VS LLC	Commercial	587,700
BU 055 Westchester	Commercial	576,133
Rye Colony Apts., Inc.	Cooperative	570,520
Milton Harbor House	Cooperative	567,450
601Midland Rye LLC	Commercial	536,985
Shenorock Shore Club	Beach Club	485,900
Blind Brook Lodge Owners	Real Estate	414,023
CLP Rye-Highland LLC	Commercial	374,330

The ten largest taxpayers listed above have a total assessed valuation of $10,856,816, which represents 0.10% of the 2024-2025 tax base of the District.

As of the date of this Official Statement, the District currently does not have any pending or outstanding tax certioraris that are known or believed could have a material impact on the finances of the District.

Source: Office of the Assessor, City of Rye, and New York State Board of Real Property Services.

Real Property Taxes

The District derives a major portion of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund" in Appendix A, herein). On June 24, 2011, Chapter 97 of the Laws of 2011 was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. See "TAX LEVY LIMITATION LAW," herein.

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years, unaudited projections for the 2024-25 fiscal year and revenues budgeted for the 2025-2026 fiscal years.

Fiscal Year	Total Revenues (1)	Total Real Property Taxes (2)	Percentage of Total Revenues Consisting of Real Property Taxes
2019-2020	$ 89,687,102	$ 82,504,886	91.99%
2020-2021	91,248,457	82,533,522	90.45
2021-2022	96,223,920	86,615,745	90.14
2022-2023	98,530,232	89,921,308	91.26
2023-2024	102,590,145	93,039,503	90.69
2024-2025 (Budgeted)	107,856,311 (3)	98,978,612	91.77
2025-2026 (Budgeted)	110,567,267 (4)	102,324,607	92.55

(1) General Fund only.
(2) Inclusive of Other Tax Items which represents STAR tax payments made to the District by the State. See "STAR - School Tax Exemption" herein.
(3) Figure does not include $2,700,000 of appropriated reserves.
(4) Figure does not include $2,700,000 of appropriated reserves.

Source: Audited financial statements for the fiscal years 2019-2020 through and including the 2023-2024 and the adopted budget of the District for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

STAR – School Tax Exemption

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

The 2019-2020 State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to $250,000, compared with a $500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

The 2020-2021 State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

The 2022-2023 State Budget provided $2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

The below table lists the most current basic and enhanced exemption amounts for the municipalities applicable to the District:

City of:	Enhanced Exemption	Basic Exemption	Date Certified
Rye	$2,870	$ 1,050	10/16/2024

$818,915 of the District's $98,714,887 school tax levy for the 2024-2025 fiscal year was exempt by the STAR Program. The District received all of such exempt taxes from the State by January 2025.

Approximately $750,000 of the District's $102,324,607 school tax levy for the 2025-2026 fiscal year is expected to be exempted by the STAR Program. The District anticipates receiving all of such exempt taxes from the State by January 2026.

Sales Tax

In July 1991, the State Legislature authorized an additional 1% sales tax for the County to impose in localities, other than cities, which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991 and has been extended through May 31, 2020. The additional 1% sales tax is to be apportioned among the County (33 1/3%), school districts in the County (16 2/3%), and towns, villages and cities in the County which have not imposed sales taxes (50%). Sales tax revenue for the last five fiscal years appears below.

Fiscal Year	Total Revenues [(1)]	Total Sales Tax	Percentage of Total Revenues Consisting of Sales Tax
2019-2020	$ 89,687,102	$ 1,134,961	1.27%
2020-2021	92,421,957	1,460,320	1.58
2021-2022	97,544,133	1,476,988	1.51
2022-2023	99,392,145	1,582,604	1.60
2023-2024	102,590,145	1,645,787	1.61
2024-2025 (Unaudited)	108,270,855	1,686,332	1.55
2025-2026 (Budgeted)	113,267,267	1,660,000	1.46

(1) General Fund only.

Source: Audited financial statements for the fiscal years 2019-2020 through and including the 2023-2024, unaudited estimates of the District for the 2024-2025 fiscal year, and proposed budget for the 2025-2026 fiscal year. This table is not audited.

Additional Tax Information

Real property located in the District is assessed by the City of Rye.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-77.01%, Commercial-19.71% and Other-3.28%.

The estimated total annual property tax bill of a typical $2,302,721 market value residential property located in the District is approximately $37,678 including County, City and School District taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized by the Board of Education and utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds.

Debt Limit. The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed five per centum of the average full valuation of the taxable real estate of the School District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining average full valuation is by dividing the assessed valuation of taxable real estate for the last completed and the four preceding assessment rolls by the equalization rates established by the State Office of Real Property Services in accordance with applicable State law.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

(1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations

and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2020	2021	2022	2023	2024
Bonds	$ 18,765,000	$ 14,780,000	$ 12,520,000	$ 31,497,654	$ 29,810,000
Bond Anticipation Notes	3,892,654	25,000,000	51,217,124	29,129,470	41,644,470
Total Debt Outstanding	$ 22,657,654	$ 39,780,000	$ 61,477,124	$ 60,627,124	$ 71,454,470

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 3, 2025:

Type of Indebtedness	Maturity	Amount
Bonds	2025-2049	$ 28,670,000
Bond Anticipation Notes		
Capital Project	June 27, 2025	38,644,470 [1]
Capital Project	June 27, 2025	3,000,000 [1]
	Total Indebtedness	$ 70,314,470

[1] To be permanently financed at maturity with the proceeds of the Bonds and $560,000 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 3, 2025:

Full Valuation of Taxable Real Property			$10,542,296,032
Debt Limit 10% thereof			1,054,229,603
Inclusions:			
Bonds	$ 28,670,000		
Bond Anticipation Notes (BANs):	41,644,470		
Total Inclusions prior to issuance of the Notes	70,314,470		
Less: BANs being redeemed from appropriations	560,000		
Add: New money proceeds of the Notes	16,280,530		
Total Net Inclusions after issuance of the Notes		$ 86,035,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 86,035,000
Net Debt-Contracting Margin			$ 968,194,603
The percent of debt contracting power exhausted is			8.86%

[1] Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 14.9% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District. This table does not include any lease purchase obligations, but such obligations do count toward the debt limit. See "Installment Purchase Obligations", herein.

Bonded Debt Service

A schedule of bonded debt service, that shows the debt service requirements to maturity on the District's outstanding general obligation bonded indebtedness, may be found in "APPENDIX – B" attached hereto this Official Statement.

Cash Flow Borrowings

The District has not issued revenue anticipation notes, tax anticipation notes, budget notes, or deficiency notes in the recent past and does not plan any issuance in the current fiscal year.

Installment Lease Purchase Agreements

The District does not have any installment lease purchase agreements for capital projects outstanding. The District is considering an installment lease purchase agreement for an energy performance contract in the amount of $2.5 million.

Capital Project Plans

On June 11, 2019, the following three propositions were approved by District voters as follows:

- Proposition 1: Capital project for District renovations and improvements in the amount of $70,852,616.
- Proposition 2: Capital project for additional District renovations and improvements in the amount of $9,137,384.
- Establish Capital Reserve Fund to create the ability for the District to dedicate surplus funds to address future facilities and infrastructure needs at no additional cost to taxpayers.

The District issued $2,500,000 bond anticipation notes on November 15, 2019 as the first borrowing against proposition 1. On July 1, 2020, the District issued $25,000,000 bond anticipation notes to redeem previously outstanding notes and provide new monies for the capital projects mentioned in Proposition 1 and Proposition 2. On July 1, 2021 the District issued $51,647,124 bond anticipation notes to partially redeem and renew the $25,000,000 bond anticipation notes and provide $27,067,124 new monies for the above mentioned projects. On June 29, 2023 the District issued $20,000,000 School District (serial) bonds and $29,129,470 bond anticipation notes, which along with available funds of the District, redeemed and renewed the outstanding bond anticipation notes. The proceeds of the $3,000,000 bond anticipation notes issued November 30, 2023 provided $3,000,000 new monies for the next phase of the above mentioned project. A portion of the $38,644,470 bond anticipation notes issued on June 27, 2024, along with $485,000 available funds of the District partially redeemed the bond anticipation notes maturing June 28, 2024 and provided $10,000,000 in new money for this project. On November 26, 2024, the District fully redeemed and renewed $3,000,000 bond anticipation notes which matured on November 27, 2024. The Bonds, along with $560,000 available funds of the District will permanently finance the outstanding notes.

The Notes will provide $7,143,146 new money against Proposition 1 and $9,137,384 new money against proposition 2.

The District currently has no other capital projects approved or contemplated.

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Estimated Overlapping Indebtedness

In addition to the District, other political units have the power to incur indebtedness payable from property taxes levied on property in the District. The table below sets forth both the total outstanding principal amount of debt issued by the District and the approximate magnitude of the burden on taxable property in the District of the debt instruments issued and outstanding by such other political units.

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Westchester	12/31/2024	$ 1,431,627,206 [3]	$ 360,285,394	$ 1,071,341,812	4.50%	$ 48,210,382
City of:						
Rye	12/31/2023	19,088,061 [3]	1,155,000	17,933,061	91.08%	16,333,432
					Total:	$ 64,543,813

(1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
(2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
(3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

Debt Ratios

The following table sets forth certain ratios relating to the District's net indebtedness as of June 3, 2025:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 86,035,000	$ 5,605.98	0.82%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	150,578,813	9,811.61	1.43

(a) The current estimated population of the District is 15,347. (See "THE SCHOOL DISTRICT - Population" herein.)
(b) The District's full value of taxable real estate for the 2024-2025 fiscal year is $10,542,296,032 using regular equalization rates. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.
(d) The District's applicable share of Net Overlapping Indebtedness is estimated to be $64,543,813. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Bonds or Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds and Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. Each Bond an Note when duly issued and paid for will constitute a contract between the District and the holder thereof. Under current law, provision is made for contract creditors of the District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds and Notes in the event of a default in the payment of the principal of and interest on the Bonds and Notes.

Execution/Attachment of Municipal Property. 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, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

No Past Due Debt. No principal of or interest on District indebtedness is past due.

MARKET AND RISK FACTORS

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

The financial condition of the District as well as the market for the Bonds and Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bond and Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds and Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's ability to borrow funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid. (See also "THE SCHOOL DISTRICT - State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District could have an impact upon the market price of the Bonds and Notes. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds and Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Bonds and Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Bonds and Notes, or the tax status of interest on the Bonds and Notes. See "TAX MATTERS" herein.

Cybersecurity. The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Continuing Disclosure Undertaking with respect to the Bonds and an Undertaking to provide Material Event Notices with respect to the Notes, the forms of which are attached hereto as "APPENDIX – C" and "APPENDIX – D" respectively.

Historical Disclosure Compliance

The District is in compliance within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds and Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Bonds and Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed forms of opinion of Bond Counsel are set forth in "APPENDIX – F", and "APPENDIX – G".

To the extent the issue price of any maturity of the Bonds and Notes is less than the amount to be paid at maturity of such Bonds and Notes (excluding amounts stated to be interest and payable at least annually over the term of such Bonds and Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds and Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds and Notes is the first price at which a substantial amount of such maturity of the Bonds and Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds and Notes accrues daily over the term to maturity of such Bonds and Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds and Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds and Notes. Owners of the Bonds and Notes should consult their own tax advisors with respect to the tax consequences of ownership of the Bonds and Notes with original issue discount, including the treatment of owners who do not purchase such Bonds and Notes in the original offering to the public at the first price at which a substantial amount of such Bonds and Notes is sold to the public.

Bonds and Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds" and "Premium Notes") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of the Bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Bond or Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds and Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds and Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds and Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds and Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds and Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds and Notes may adversely affect the value of, or the tax status of interest on, the Bonds and Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds and Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds and Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds and Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds and Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and Notes may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds and Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds and Notes. Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds and Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds and Notes ends with the issuance of the Bonds and Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Bonds and Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds and Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds and Notes, and may cause the District or the owners to incur significant expense.

Payments on the Bonds and Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds and Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds and Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and Notes are subject to the respective approving legal opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver such opinions at the time of issuance of the Bonds and Notes substantially in the forms set forth in "APPENDIX – F", and "APPENDIX – G" herein.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the attorney for the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or action pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

The Parents of a student with a disability filed an impartial hearing seeking compensatory services and reimbursement for privately obtained educational services in the amount of approximately $50,000. The Hearing Officer ruled in favor of the District. On appeal, the SRO affirmed the decision in favor of the district. The Parent has filed an appeal to federal court seeking attorneys fees. If the parents are successful in pursuing their claim, they would be entitled to approximately $60,000 in attorney fees.

The Parents of a student with a disability filed an impartial hearing seeking tuition reimbursement for a privately obtained educational program for the 2022-2023 and 2023-2024 school years in the total amount of $150,000. The District has a good chance of successfully defending the claim. If the parents are successful in pursuing their claim, they would be entitled to $150,000 in tuition and services and the Parents' attorneys' fees which could be an additional $100,000.

The Parents of a student with a disability filed an impartial hearing seeking tuition reimbursement for a privately obtained educational program for the 2023-2024 school year in the total amount of $70,000. The District has a good chance of successfully defending the claim. If the parents are successful in pursuing their claim, they would be entitled to $70,000 in tuition and services and the Parents' attorneys' fees which could be an additional $100,000.

The Parents of a student with a disability filed an impartial hearing seeking tuition reimbursement for a privately obtained educational program for the 2022-2023 school year in the total amount of $70,000. The District has a good chance of successfully defending the claim. If the parents are successful in pursuing their claim, they would be entitled to $70,000 in tuition and services and the Parents' attorneys' fees which could be an additional $100,000.

The Parents of a student with a disability filed an impartial hearing seeking reimbursement for an independent evaluation and a privately obtained educational program for the 2020-21 and 2021-22 school years in the total amount of $130,000. While the hearing officer ruled in favor of the Parent, the Office of state Review reversed the decision and ruled in the district's favor. The Parent has appealed the SRO decision to federal court. The District has a good chance of success on appeal. If the parents are successful in pursuing their claim, they would be entitled to $130,000 in tuition and services and attorneys' fees which could be an additional $120,000.

The District has received several additional letters from parents of students with a disability stating an intention to unilaterally place their child in a nonpublic school and to seek reimbursement for the cost of the private school tuition under the IDEA. However, due process complaints have not yet been filed. The District individually analyzes the merits of each case before deciding to engage in settlement discussions or proceed to a hearing.

The property occupied by Rye Playland is owned by the County of Westchester (the "County") and was previously a tax exempt property. The City of Rye (the "City"), for the 2023-2024 tax year, placed the property on the tax roll because Rye Playland is operated by a private entity. The school tax bill for the property occupied by Rye Playland is $2.24 million for the 2023-2024 tax year and was being disputed by the County and Rye Playland. As of the date of this Official Statement, the dispute with the City of Rye regarding the Playland property has been resolved for future years and the City is currently making the District whole for the revenue shortfall created during fiscal year 2023-2024. However, the District's obligation to pay back the funds for this year remains in question.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale pending the approval of the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action may result in a material event notification to be posted to EMMA pursuant to the District's Continuing Disclosure Undertakings and/or supplementation of the final Official Statement. (See "APPENDIX - C" and "APPENDIX – D" herein.)

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

Moody's has also maintained their rating of "Aaa" to the District's outstanding bonds.

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

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

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

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

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds and Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

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

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

The School District contact information is as follows: Ms. Gabriella Perruccio, Assistant Superintendent for Business, 555 Fremd Avenue, Suite B-101, Rye, New York 10580, Phone: (914) 967-6100 x 6270, Fax: (914) 967-6957, Email: perruccio.gabriella@ryeschools.org

The School District's Bond Counsel contact information is as follows: Douglas E. Goodfriend, Esq., Orrick Herrington & Sutcliffe LLP, 51 West 52nd Street, 15th Floor, New York, New York 10019 telephone (212) 506-5211, fax (212) 506-5151, email dgoodfriend@orrick.com

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

CITY SCHOOL DISTRICT OF THE CITY OF RYE

Dated: June 3, 2025

JANE ANDERSON
President of the Board of Education and
Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Cash and Cash Equivalents	$ 21,913,152	$ 34,587,211	$ 31,567,313	$ 26,495,339	$ 36,117,949
Receivables					
Accounts	251,756	1,918	-	-	-
State and Federal aid	159,438	140,684	172,092	167,987	124,850
Other Receivables	-	-	2,148,417	10,253	5,014
Due from Other Governments	780,816	1,016,325	1,271,880	1,134,528	1,457,376
Due from Othe Funds	1,237,315	1,281,205	1,017,439	1,053,482	978,382
Inventories	-	-	-	-	-
TOTAL ASSETS	$ 24,342,477	$ 37,027,343	$ 36,177,141	$ 28,861,589	$ 38,683,571
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 318,444	$ 633,354	$ 626,877	$ 773,660	$ 994,676
Accrued Liabilities	1,218,017	898,930	534,445	552,595	470,980
Other Liabilities	-	-	6,999	10,000	1,155
Deposits Payable	-	7,007	-	-	-
Due to Other Funds	74,890	12,267,431	11,339,003	2,843,284	10,938,390
Due to Other Governments	283,004	418,377	116,157	89,128	130,800
Due to Retirement Systems	4,412,016	4,814,573	5,148,149	5,626,020	5,572,768
Unearned Revenue	1,350	1,350	1,350	1,350	30,271
Deferred Inflow of Resources					
Taxes Collected in Advance	-	-	-	-	-
TOTAL LIABILITIES	6,307,721	19,041,022	17,772,980	9,896,037	18,139,040
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	12,074,498	11,859,412	11,459,412	10,831,642	10,444,398
Assigned	2,372,123	2,357,413	2,961,089	3,977,928	5,677,881
Unassigned	3,588,135	3,769,496	3,983,660	4,155,982	4,422,252
TOTAL FUND EQUITY	18,034,756	17,986,321	18,404,161	18,965,552	20,544,531
TOTAL LIABILITIES and FUND EQUITY	$ 24,342,477	$ 37,027,343	$ 36,177,141	$ 28,861,589	$ 38,683,571

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	$ 77,820,173	$ 80,601,617	$ 82,533,522	$ 85,230,163	$ 88,651,587
Other Tax Items	2,822,710	1,903,269	1,633,205	1,385,582	1,269,721
Non-Property Tax Items	1,627,749	1,898,219	2,353,050	2,394,449	2,685,223
Charges for Services	817,223	637,949	509,734	516,396	767,047
Use of Money & Property	365,859	307,740	74,194	40,769	831,628
Sale of Property and Compensation for Loss	76,944	13,618	68,885	2,149,886	27,663
Miscellaneous	232,469	271,787	601,254	1,153,621	813,929
Revenues from State Sources	3,989,046	4,052,288	3,474,613	3,341,886	3,483,434
Revenues from Federal Sources	-	615	-	11,168	-
Total Revenues	$ 87,752,173	$ 89,687,102	$ 91,248,457	$ 96,223,920	$ 98,530,232
Other Sources:					
Interfund Transfers	-	-	-	-	861,913
Total Revenues and Other Sources	87,752,173	89,687,102	91,248,457	96,223,920	99,392,145
EXPENDITURES					
General Support	$ 10,077,744	$ 9,346,546	$ 11,165,930	$ 11,731,142	$ 9,612,728
Instruction	52,354,006	52,843,760	53,818,297	56,582,688	59,190,377
Pupil Transportation	1,489,069	1,551,166	1,487,279	1,733,582	1,701,966
Community Services	36,580	26,770	22,200	36,800	35,900
Employee Benefits	19,980,567	20,463,402	21,149,023	21,722,926	22,350,930
Debt Service	4,244,296	3,791,885	2,989,553	3,204,600	5,223,757
Total Expenditures	$ 88,182,262	$ 88,023,529	$ 90,632,282	$ 95,011,738	$ 98,115,658
Other Uses:					
Interfund Transfers	477,464	817,404	664,610	794,344	715,096
Total Expenditures and Other Uses	88,659,726	88,840,933	91,296,892	95,806,082	98,830,754
Excess (Deficit) Revenues Over Expenditures	(907,553)	846,169	(48,435)	417,838	561,391
FUND BALANCE					
Fund Balance - Beginning of Year	18,096,140	17,188,587	18,034,756	17,986,323	18,404,161
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 17,188,587	$ 18,034,756	$ 17,986,321	$ 18,404,161	$ 18,965,552

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2024 Original Budget	2024 Final Budget	2024 Actual	2025 Adopted Budget	2026 Adopted Budget
REVENUES					
Real Property Taxes	$ 92,646,808	$ 91,771,192	$ 91,781,530	$ 98,714,887	$102,324,607
Other Tax Items	261,805	1,127,421	1,257,973	263,725	250,693
Non-Property Taxes	2,600,000	2,600,000	2,787,801	2,800,000	3,010,000
Charges for Services	476,000	464,000	960,724	590,000	453,000
Use of Money & Property	80,000	90,000	1,584,231	325,000	800,000
Sale of Property and Compensation for Loss	-	21,000	5,526	-	-
Miscellaneous	1,903,500	1,872,500	602,351	1,960,500	428,000
Revenues from State Sources	3,231,389	3,253,389	3,610,009	3,202,199	3,300,967
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	$101,199,502	$101,199,502	$102,590,145	$ 107,856,311	$ 110,567,267
Other Sources:					
Interfund Transfers	-	-	11,442	-	-
Appropriated Fund Balance	2,700,000	3,977,928	-	2,700,000	2,700,000
Total Revenues and Other Sources	103,899,502	105,177,430	102,601,587	110,556,311	113,267,267
EXPENDITURES					
General Support	$ 9,665,021	$ 12,428,989	$ 9,965,940	$ 9,954,940	$ 7,678,181
Instruction	61,950,007	60,900,995	60,184,994	63,785,359	69,401,809
Pupil Transportation	1,505,700	1,685,624	1,685,484	1,879,500	1,984,500
Community Services	40,500	29,500	27,400	40,500	40,500
Employee Benefits	25,471,123	24,201,167	23,242,635	27,485,600	26,562,277
Debt Service	4,492,151	5,156,155	5,141,155	5,055,412	6,200,000
Total Expenditures	$103,124,502	$104,402,430	$100,247,608	$ 108,201,311	$ 111,867,267
Other Uses:					
Interfund Transfers	775,000	775,000	775,000	2,355,000	1,400,000
Total Expenditures and Other Uses	103,899,502	105,177,430	101,022,608	110,556,311	113,267,267
Excess (Deficit) Revenues Over Expenditures	-	-	1,578,979	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	18,404,161	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 19,983,140	$ -	$ -

Source: Audited financial report and budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 1,720,000	$ 1,152,975.00	$ 2,872,975.00
2026	1,765,000	1,082,425.00	2,847,425.00
2027	1,830,000	1,010,575.00	2,840,575.00
2028	1,880,000	937,150.00	2,817,150.00
2029	1,490,000	866,850.00	2,356,850.00
2030	1,555,000	799,100.00	2,354,100.00
2031	1,620,000	736,900.00	2,356,900.00
2032	1,670,000	681,000.00	2,351,000.00
2033	1,720,000	632,500.00	2,352,500.00
2034	665,000	582,400.00	1,247,400.00
2035	695,000	555,800.00	1,250,800.00
2036	720,000	528,000.00	1,248,000.00
2037	750,000	499,200.00	1,249,200.00
2038	780,000	469,200.00	1,249,200.00
2039	810,000	438,000.00	1,248,000.00
2040	845,000	405,600.00	1,250,600.00
2041	880,000	371,800.00	1,251,800.00
2042	915,000	336,600.00	1,251,600.00
2043	950,000	300,000.00	1,250,000.00
2044	990,000	262,000.00	1,252,000.00
2045	1,025,000	222,400.00	1,247,400.00
2046	1,070,000	181,400.00	1,251,400.00
2047	1,110,000	138,600.00	1,248,600.00
2048	1,155,000	94,200.00	1,249,200.00
2049	1,200,000	48,000.00	1,248,000.00
TOTALS	$ 29,810,000	$ 13,332,675.00	$ 43,142,675.00

APPENDIX - B1
City School District of the City of Rye

FY Ending June 30th	2015 Refunding Bonds Principal	2015 Refunding Bonds Interest	2015 Refunding Bonds Total	2021 Refunding Bonds Principal	2021 Refunding Bonds Interest	2021 Refunding Bonds Total
2025	$ 475,000	$ 44,325.00	$ 519,325.00	$ 665,000	$ 282,650.00	$ 947,650.00
2026	465,000	30,225.00	495,225.00	700,000	249,400.00	949,400.00
2027	470,000	17,375.00	487,375.00	740,000	214,400.00	954,400.00
2028	460,000	5,750.00	465,750.00	775,000	177,400.00	952,400.00
2029	-	-	-	815,000	138,650.00	953,650.00
2030	-	-	-	855,000	97,900.00	952,900.00
2031	-	-	-	890,000	63,700.00	953,700.00
2032	-	-	-	915,000	37,000.00	952,000.00
2033	-	-	-	935,000	18,700.00	953,700.00
TOTALS	$ 1,870,000	$ 97,675.00	$ 1,967,675.00	$ 7,290,000	$ 1,279,800.00	$ 8,569,800.00

FY Ending June 30th	2023 Series A Principal	2023 Series A Interest	2023 Series A Total	2023 Series B Principal	2023 Series B Interest	2023 Series B Total
2025	$ 110,000	$ 45,200.00	$ 155,200.00	$ 470,000	$ 780,800.00	$ 1,250,800.00
2026	110,000	40,800.00	150,800.00	490,000	762,000.00	1,252,000.00
2027	115,000	36,400.00	151,400.00	505,000	742,400.00	1,247,400.00
2028	120,000	31,800.00	151,800.00	525,000	722,200.00	1,247,200.00
2029	125,000	27,000.00	152,000.00	550,000	701,200.00	1,251,200.00
2030	130,000	22,000.00	152,000.00	570,000	679,200.00	1,249,200.00
2031	135,000	16,800.00	151,800.00	595,000	656,400.00	1,251,400.00
2032	140,000	11,400.00	151,400.00	615,000	632,600.00	1,247,600.00
2033	145,000	5,800.00	150,800.00	640,000	608,000.00	1,248,000.00
2034	-	-	-	665,000	582,400.00	1,247,400.00
2035	-	-	-	695,000	555,800.00	1,250,800.00
2036	-	-	-	720,000	528,000.00	1,248,000.00
2037	-	-	-	750,000	499,200.00	1,249,200.00
2038	-	-	-	780,000	469,200.00	1,249,200.00
2039	-	-	-	810,000	438,000.00	1,248,000.00
2040	-	-	-	845,000	405,600.00	1,250,600.00
2041	-	-	-	880,000	371,800.00	1,251,800.00
2042	-	-	-	915,000	336,600.00	1,251,600.00
2043	-	-	-	950,000	300,000.00	1,250,000.00
2044	-	-	-	990,000	262,000.00	1,252,000.00
2045	-	-	-	1,025,000	222,400.00	1,247,400.00
2046	-	-	-	1,070,000	181,400.00	1,251,400.00
2047	-	-	-	1,110,000	138,600.00	1,248,600.00
2048	-	-	-	1,155,000	94,200.00	1,249,200.00
2049	-	-	-	1,200,000	48,000.00	1,248,000.00
TOTALS	$ 1,130,000	$ 237,200.00	$ 1,367,200.00	$ 19,520,000	$ 11,718,000.00	$ 31,238,000.00

CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided,

(i) In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Official Statement dated June __, 2025 of the District relating to the Bonds under the headings "THE SCHOOL DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than Appendix C, D, E, F, & G and other than any Appendix related to bond insurance), and (ii) a copy of the audited financial statements, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2025; such information, data, and audit will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if the audited financial statements are not available at that time, within sixty days following receipt by the District of its audited financial statements for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year;

(ii) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Bonds, unscheduled draws on credit enhancements reflecting financial difficulties

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

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

(g) modifications to rights of bondholders, if material

(h) Bond calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Bonds

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the District

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

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

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

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

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Bonds.

With respect to event (d) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

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

With respect to events (o) and (p), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The District may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above, if the District determines that any such other event is material with respect to the Bonds; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

(iii) in a timely manner to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The District reserves the right to terminate its obligations to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District's obligations under its continuing disclosure undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District, provided that, the District agrees that any such modification will be done in a manner consistent with the Rule, in consultation with nationally recognized bond counsel.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

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

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

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Note

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the District

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

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

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

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

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

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

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the District determines that any such other event is material with respect to the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Note within the meaning of the Rule. The Issuer acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District’s obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Note to recover monetary damages.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

CITY SCHOOL DISTRICT OF THE CITY OF RYE

WESTCHESTER COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2024

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK

AUDITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2024
INCLUDING REPORTS ON FEDERAL AWARDS
AND EXTRACLASSROOM ACTIVITY FUNDS

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
JUNE 30, 2024
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of
Rye City School District
Rye, New York

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Rye City School 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 Rye City School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rye City School 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 Rye City School 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 required supplemental information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2024 on our consideration of the Rye City School 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 n+ot to provide an opinion on the effectiveness of the Rye City School 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 Rye City School District's internal control over financial reporting and compliance.

Nugent & Haeussler PC

Montgomery, New York
October 2, 2024

RYE CITY SCHOOL DISTRICT
Management Discussion and Analysis

Introductory Section
The following is a discussion and analysis of Rye City School District's financial performance for the fiscal year ended June 30, 2024. The section is a summary of the Rye City School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the district-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2024 are as follows:

- For the year ended June 30, 2024, the School District's governmental fund financial statement reports a combined ending fund balance deficit of ($5,157,346), an increase in the fund balance deficit of ($2,194,013) from the prior year. The increase is primarily attributable to the deficit in the Capital Fund of ($4,668,875).

- The assigned fund balance is $5,677,881, which includes $2,700,000 designated to reduce the 2024/25 tax levy. This amount has increased by $1,699,953 from the previous year. The increase is due to higher than usual General Fund Reserve for Encumbrances that represent a designation of the budgeted amounts identified in the 2023/2024 school year although are paid after June 30th.

    - The Reserve for Encumbrances includes significant identified budget rollover amounts for New York Power Authority and the City of Rye.
        - The District has had an ongoing dispute with New York Power Authority, the District's electric service provider resulting in an outstanding encumbrance of $588,222.
        - Additionally, the District has encumbered $1,000,000 to support any potential exposure related to ongoing disputes over a property's taxable status.

- The remaining restricted funds are for: tax certioraris of $4,584,986, retirement contributions of $2,057,815 and $1,451,597 for ERS and TRS respectively, and the 2019 reserve for capital improvements of $2,350,000.

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget of $110,556,311 exclusive of the amount designated for the subsequent year's budget. The June 30, 2024 unassigned fund balance is $4,422,252 or 4.00%, an increase of $266,270 from the prior year. This amount meets the statutory limit of 4.00%.

- Real Property and Other Tax revenue items show a net increase of $3,118,195. This was a result of a tax cap compliant tax levy increase. Additionally, during the year the District made total unbudgeted payments of $633,097 for the refund of real property taxes.

- During the current fiscal year, the District retired $1,720,000 of general obligation bonds issued in previous years and no new debt was issued. The total outstanding balance as of June 30th, 2024 is $29,810,000 in long-term debt. Short term debt for the same ending period stands at $41,644,470 in the form of Bond Anticipation Notes (BANS) associated with the 2019 District Wide construction bond referendum of $79,990,000 to address facility needs and instructional improvements over the next several years.

Financial Highlights (Continued)

- Overall General Fund expenditures were $1,176,941 underspent compared to the budget. This is a result of spending less in employee benefits than expected, however expenses related to short-term debt service (newly issued BANS) was higher than anticipated.

- Although expenses compared to budget were understated for employee benefits, it is important to note that actual costs increased by $891,705 from the previous year. Employee benefits continue to rise as the cost related to providing health care to our employees increases annually.

Overview of the Financial Statements

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's overall financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.

- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

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.

The following table summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements		
		Fund Financial Statements
	District-Wide	Governmental Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities are included
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net assets, the difference between the District's assets and liabilities, 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.

District-Wide Financial Statements (Continued)

- To assess the District's overall health, you need 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*: Most 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.

Fund Financial Statements

The 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:

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has one kind of fund:

- 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 you 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 statements, additional information provided in the notes to the financial statements explains the relationship (or differences) between them.

Management Discussion and Analysis
(Continued)

Financial Analysis of the District as a Whole

For the year ended June 30, 2024, net position decreased by $8,467,214. The District's net position (deficit) at June 30, 2024 is $(112,747,206). The following table provides a summary of the District's net position:

	School District Activities		
		As Restated	
	June 30, 2024	June 30, 2023	% Change
Current Assets	$ 44,556,494	$ 33,511,047	32.96%
Non-Current Assets	110,943,404	107,894,108	2.83%
Total Assets	155,499,898	141,405,155	9.97%
Deferred Outflows of Resources	67,901,894	77,293,606	-12.15%
Current Liabilities	49,880,335	36,557,940	36.44%
Long-Term Liabilities	214,695,776	210,411,210	2.04%
Total Liabilities	264,576,111	246,969,150	7.13%
Deferred Inflows of Resources	71,572,887	76,009,603	-5.84%
Net Position:			
Net Investment in Capital Assets	36,198,316	43,856,019	-17.46%
Restricted	27,317,032	30,588,367	-10.69%
Unrestricted	(176,262,554)	(178,724,378)	1.38%
Total Net Position	$ (112,747,206)	$ (104,279,992)	8.12%

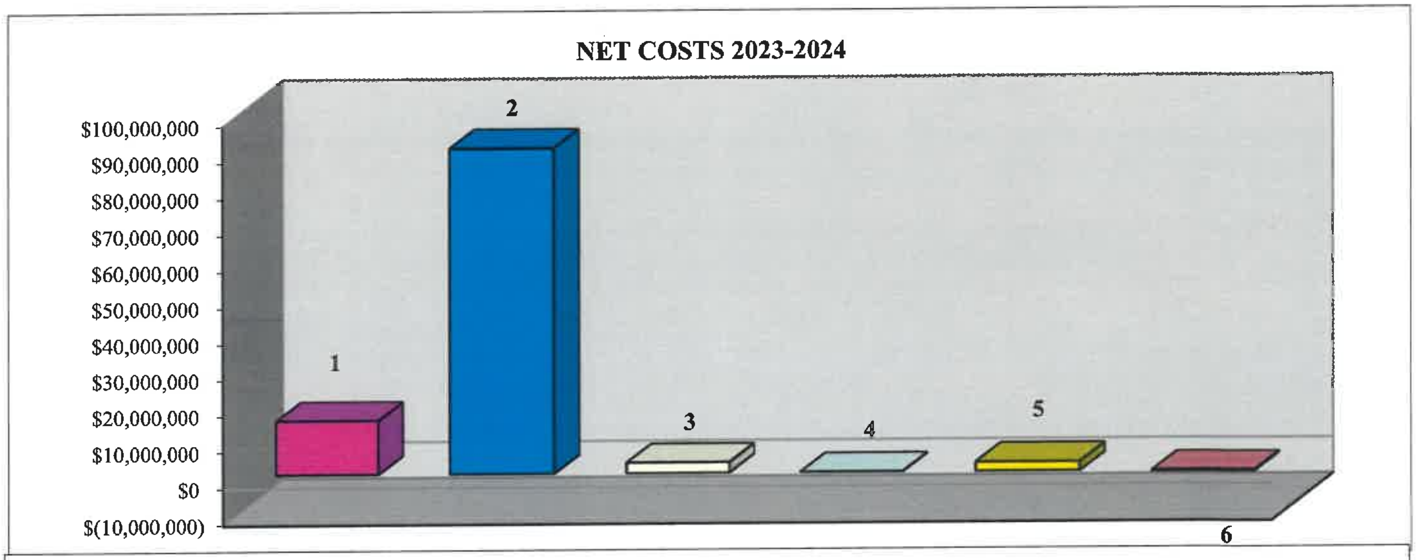
RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

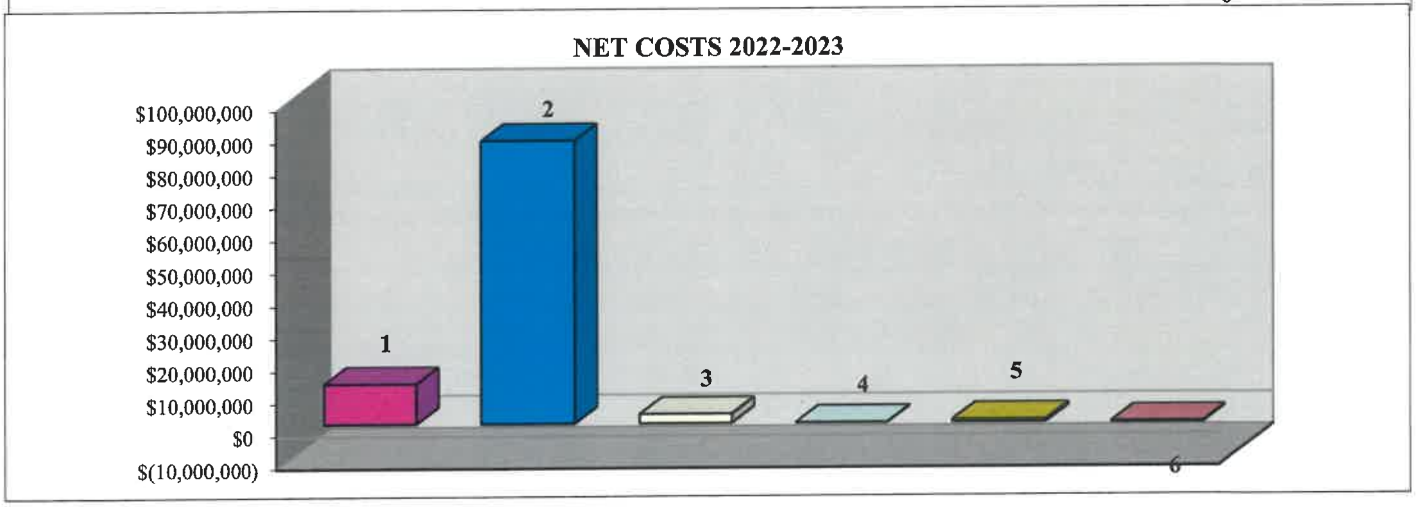
	JUNE 30, 2024	%	JUNE 30, 2023	%	$ Change	%
REVENUES						
PROGRAM REVENUES:						
Charges for Services	$ 5,308,925	4.89%	$ 4,684,874	4.48%	$ 624,051	13.32%
Operating Grants	1,550,414	1.43%	1,743,730	1.67%	(193,316)	-11.09%
Capital Grants and Contributions	77,561	0.07%	46,224	0.04%	31,337	N/A
GENERAL REVENUES:						
Property Taxes	91,781,530	84.61%	88,651,587	84.67%	3,129,943	3.53%
Other Tax Items	382,357	0.35%	261,209	0.25%	121,148	46.38%
Non Property Taxes	2,787,801	2.57%	2,685,223	2.57%	102,578	3.82%
School Tax Relief (STAR)	875,616	0.81%	1,008,512	0.96%	(132,896)	-13.18%
Use of Money & Property	1,622,225	1.50%	845,677	0.81%	776,548	91.83%
Sale of Property & Compensation for Loss	5,526	0.01%	27,663	0.03%	(22,137)	-80.02%
Miscellaneous	890,963	0.82%	1,611,433	1.54%	(720,470)	-44.71%
State Sources	3,193,486	2.94%	3,117,842	2.98%	75,644	2.43%
TOTAL REVENUES	108,476,404	100.00%	104,683,974	100.00%	3,792,430	3.62%
EXPENSES						
General Support	14,909,396	12.75%	12,455,738	11.41%	2,453,658	19.70%
Instruction	94,021,812	80.41%	90,608,194	83.04%	3,413,618	3.77%
Pupil Transportation	2,960,496	2.53%	2,935,115	2.69%	25,381	0.86%
Community Services	27,400	0.02%	35,900	0.03%	(8,500)	-23.68%
Debt Service Interest	2,611,424	2.23%	847,154	0.78%	1,764,270	208.26%
School Lunch Program	2,413,090	2.06%	2,240,714	2.05%	172,376	7.69%
TOTAL EXPENSES	116,943,618	100.00%	109,122,815	100.00%	7,820,803	7.17%
CHANGE IN NET POSITION	$ (8,467,214)		$ (4,438,841)		$ (4,028,373)	90.75%

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

The following information is provided to disclose the net cost of governmental activities:

		TOTAL COST OF SERVICES 2023-2024	NET COST OF SERVICES 2023-2024	TOTAL COST OF SERVICES 2022-2023	NET COST OF SERVICES 2022-2023
General Support	1	$ 14,909,396	$ 14,909,396	$ 12,455,738	$ 12,455,738
Instruction	2	94,021,812	89,886,973	90,608,194	86,790,068
Pupil Transportation	3	2,960,496	2,865,282	2,935,115	2,821,173
Community Services	4	27,400	27,400	35,900	35,900
Debt Service - Interest	5	2,611,424	2,533,863	847,154	800,930
School Lunch Program	6	2,413,090	(216,196)	2,240,714	(255,822)
		$ 116,943,618	$ 110,006,718	$ 109,122,815	$ 102,647,987





Management Discussion and Analysis
(Continued)

Financial Analysis of the District's Funds

As discussed, the District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Lunch Fund, Miscellaneous Special Revenue Fund, Debt Service Fund and Capital Projects Fund. The total fund balances allocated between nonspendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

	June 30, 2024				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 0	$ 10,444,398	$ 5,677,881	$ 4,422,252	$ 20,544,531
Special Aid	0	0	0	0	0
School Lunch	20,078	1,360,462	0	0	1,380,540
Miscellaneous Special Revenue	0	1,383,464	0	0	1,383,464
Capital Projects	0	0	0	(29,435,148)	(29,435,148)
Debt Service	0	969,267	0	0	969,267
Total	$ 20,078	$ 14,157,591	$ 5,677,881	$ (25,012,896)	$ (5,157,346)

	June 30, 2023				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 0	$ 10,831,642	$ 3,977,928	$ 4,155,982	$ 18,965,552
Special Aid	0	0	0	0	0
School Lunch	16,651	1,074,323	0	0	1,090,974
Miscellaneous Special Revenue	0	1,143,320	0	0	1,143,320
Capital Projects	0	0	0	(24,766,273)	(24,766,273)
Debt Service	0	603,094	0	0	603,094
Total	$ 16,651	$ 13,652,379	$ 3,977,928	$ (20,610,291)	$ (2,963,333)

General Fund Budgetary Highlights

The original budget for the General Fund was not revised during the year.

In the General Fund for the fiscal year ended June 30, 2024, actual revenues were more than revised budgeted revenues by $1,402,085 (1.33%). Actual expenditures and encumbrances were less than the budgeted expenditures by $1,176,941 (1.12%).

For fiscal year 2024-2025, the District has appropriated $2,700,000 of fund balance to reduce the tax levy.

General Fund Budgetary Highlights (Continued)

Factors that continue to affect the budget process are as follows:

- Variances between estimated revenues and amounts actually received from New York State Aid
- The tax levy cap legislation
- Low interest rates being paid on District investments
- High costs of employee benefits such as health insurance, workers' compensation insurance, teachers' and employees' retirement
- The uncertainty in costs of utilities – electric, gasoline, diesel fuel and heating oil

The New York State Legislature enacted legislation, Chapter 97 of the Laws of 2011 that establishes a "property tax cap" on the amount that a school district's property tax levy can increase each year. This legislation specifies that property taxes levied by a school district generally cannot increase by more than two percent, or the rate of inflation, whichever is less. The law does allow school districts to levy an additional amount for certain excludable expenditures. School districts can adopt a tax levy that exceeds the statutory limit, if the budget that is presented to the public is approved by sixty percent of the votes cast.

Management believes that the budget adopted for 2024-2025 is reasonably adaptable to any adverse changes that may arise based on the above factors.

Other Fund Highlights

The Special Aid Fund ended the year with a fund balance of $0.

The School Lunch Program Fund ended the year with a fund balance of $1,380,540. Revenues exceeded expenditures by $289,566.

The Miscellaneous Special Revenue Fund ended the year with a fund balance of $1,383,464. Revenues exceeded expenditures by $240,144.

The Capital Projects Fund ended the year with a fund balance deficit of $29,435,148.

Debt Service Fund ended the year with a fund balance of $969,267. This fund balance will be appropriated in future years to offset principal and interest payments.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of June 30, 2024, was $109,967,702. The total change in this net investment was an increase of 2.55% for the District as a whole (see schedule below). The District's investment in capital assets, net of accumulated depreciation as of June 30, 2023 was $107,230,432. The District expended $5,995,152 to acquire and construct capital assets during the fiscal year ended June 30, 2024 and depreciation expense for the fiscal year was $2,653,146.

Capital Assets (Continued)

CAPITAL ASSETS
Net of Accumulated Depreciation

	School District Activities June 30, 2024	School District Activities June 30, 2023	% Change
Non-Depreciable Assets:			
Land	$ 1,486,600	$ 1,486,600	0.00%
Construction in Progress	52,232,664	48,898,652	6.82%
Depreciable Assets:			
Land Improvements	45,650	48,941	-6.72%
Building and Improvements	55,212,831	55,580,020	-0.66%
Furniture and Equipment	989,957	1,216,219	-18.60%
TOTALS	$ 109,967,702	$ 107,230,432	2.55%

Long-Term Debt
At the end of the fiscal year, the District had total long-term debt outstanding of $29,810,000. This amount is backed by the full faith and credit of the Rye City School District with debt service fully funded by voter approved property taxes. Activity in bonded debt outstanding during the fiscal year was as follows:

	Beginning Balance	Issued	Paid	Ending Balance
Serial Bond - 2015 Refunding	$ 2,340,000	$ 0	$ 470,000	$ 1,870,000
Serial Bond - 2021 Refunding	7,920,000	0	630,000	7,290,000
Serial Bond - 2023 Issue	20,000,000	0	480,000	19,520,000
Serial Bond - 2023 Issue	1,237,654	0	107,654	1,130,000
Total Bonded Debt Outstanding	$ 31,497,654	$ 0	$ 1,687,654	$ 29,810,000

Bond Ratings
Moody's Investors Service ("Moody's") has assigned a rating of "Aaa" to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the District's Financial Management
This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Gabriella Perruccio, Assistant Superintendent for Business, at the District's business offices at 555 Theodore Fremd Avenue, Suite B-101, Rye, New York 10580.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

ASSETS	
Unrestricted Cash	$ 14,800,840
Restricted Cash	27,317,032
State & Federal Aid Receivable	955,004
Due from Other Governments	1,457,376
Other Receivables, Net	6,164
Inventories	20,078
Right to Use Assets, Net	975,702
Non Depreciable Capital Assets	53,719,264
Capital Assets, Net	56,248,438
TOTAL ASSETS	155,499,898
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amount on Refunding	227,595
Other Postemployment Benefits	44,969,069
Pension	22,705,230
TOTAL DEFERRED OUTFLOWS OF RESOURCES	67,901,894
LIABILITIES	
Accounts Payable	1,742,282
Accrued Liabilities	637,475
Due to Other Governments	135,783
Due to Teachers' Retirement System	5,292,108
Due to Employees' Retirement System	280,660
Deferred Revenues	146,402
Other Liabilities	1,155
Bond Anticipation Notes	41,644,470
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (Including unamortized bond premiums of $220,901)	1,940,901
Leases Payable	285,071
Due and Payable In More Than One Year:	
Bonds Payable (Including unamortized bond premium of $1,522,071)	29,612,071
Leases Payable	745,085
Compensated Absences	300,829
Other Postemployment Benefits	175,834,478
Net Pension Liability - Proportionate Share	5,977,341
TOTAL LIABILITIES	264,576,111
DEFERRED INFLOWS OF RESOURCES	
Other Postemployment Benefits	68,004,439
Pension	3,568,448
TOTAL DEFERRED INFLOWS OF RESOURCES	71,572,887
NET POSITION	
Net Investment in Capital Assets	36,198,316
Restricted	27,317,032
Unrestricted	(176,262,554)
TOTAL NET POSITION	$ (112,747,206)

See notes to financial statement.

SCHEDULE #2

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

		PROGRAM REVENUES			
	(EXPENSES)	CHARGES FOR SERVICES	OPERATING GRANTS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
FUNCTIONS & PROGRAMS					
General Support	$ (14,909,396)	$ 0	$ 0	$ 0	$ (14,909,396)
Instruction	(94,021,812)	2,681,740	1,453,099	0	(89,886,973)
Pupil Transportation	(2,960,496)	0	95,214	0	(2,865,282)
Community Services	(27,400)	0	0	0	(27,400)
Debt Service - Interest	(2,611,424)	0	0	77,561	(2,533,863)
School Lunch Program	(2,413,090)	2,627,185	2,101	0	216,196
TOTAL FUNCTIONS & PROGRAMS	$(116,943,618)	$ 5,308,925	$ 1,550,414	$ 77,561	(110,006,718)
GENERAL REVENUES					
Real Property Taxes					91,781,530
Other Tax Items					1,257,973
Non Property Taxes					2,787,801
Use of Money & Property					1,622,225
Sale of Property & Compensation for Loss					5,526
Miscellaneous					890,963
State Sources					3,193,486
TOTAL GENERAL REVENUES					101,539,504
CHANGE IN NET POSITION					(8,467,214)
NET POSITION, BEGINNING OF YEAR (As Restated)					(104,279,992)
NET POSITION, END OF YEAR					$ (112,747,206)

See notes to financial statement.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Unrestricted Cash	$ 25,673,551	$ 0	$ 328,177	$ 32,904	$ 1,391,205	$ 0	$ 27,425,837
Restricted Cash	10,444,398	159,197	1,360,462	1,383,464	1,080,224	264,290	14,692,035
State & Federal Aid Receivable	124,850	830,154	0	0	0	0	955,004
Due from Other Governments	1,457,376	0	0	0	0	0	1,457,376
Due from Other Funds	978,382	0	1,169	0	10,672,039	704,977	12,356,567
Other Receivables, Net	5,014	0	0	1,150	0	0	6,164
Inventories	0	0	20,078	0	0	0	20,078
TOTAL ASSETS	$ 38,683,571	$ 989,351	$ 1,709,886	$ 1,417,518	$ 13,143,468	$ 969,267	$ 56,913,061
LIABILITIES & FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 994,676	$ 46,009	$ 209,226	$ 9,419	$ 482,952	$ 0	$ 1,742,282
Accrued Liabilities	470,980	0	0	0	0	0	470,980
Due to Other Governments	130,800	0	4,983	0	0	0	135,783
Due to Other Funds	10,938,390	942,348	0	24,635	451,194	0	12,356,567
Due to Teachers' Retirement System	5,292,108	0	0	0	0	0	5,292,108
Due to Employees' Retirement System	280,660	0	0	0	0	0	280,660
Deferred Revenues	30,271	994	115,137	0	0	0	146,402
Other Liabilities	1,155	0	0	0	0	0	1,155
Bond Anticipation Notes	0	0	0	0	41,644,470	0	41,644,470
TOTAL LIABILITIES	18,139,040	989,351	329,346	34,054	42,578,616	0	62,070,407
FUND BALANCES (DEFICITS)							
Nonspendable	0	0	20,078	0	0	0	20,078
Restricted	10,444,398	0	1,360,462	1,383,464	0	969,267	14,157,591
Assigned	5,677,881	0	0	0	0	0	5,677,881
Unassigned	4,422,252	0	0	0	(29,435,148)	0	(25,012,896)
TOTAL FUND BALANCES (DEFICITS)	20,544,531	0	1,380,540	1,383,464	(29,435,148)	969,267	(5,157,346)
TOTAL LIABILITIES & FUND BALANCES (DEFICITS)	$ 38,683,571	$ 989,351	$ 1,709,886	$ 1,417,518	$ 13,143,468	$ 969,267	$ 56,913,061

See notes to financial statement.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION
ASSETS				
Unrestricted Cash	$ 27,425,837	$ 0	$ (12,624,997)	$ 14,800,840
Restricted Cash	14,692,035	0	12,624,997	27,317,032
State & Federal Aid Receivable	955,004	0	0	955,004
Due from Other Governments	1,457,376	0	0	1,457,376
Due from Other Funds	12,356,567	0	(12,356,567)	0
Other Receivables, Net	6,164	0	0	6,164
Inventories	20,078	0	0	20,078
Right to Use Assets, Net	0	975,702	0	975,702
Non Depreciable Capital Assets	0	53,719,264	0	53,719,264
Capital Assets, Net	0	56,248,438	0	56,248,438
TOTAL ASSETS	56,913,061	110,943,404	(12,356,567)	155,499,898
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refunding	0	227,595	0	227,595
Other Postemployment Benefits	0	44,969,069	0	44,969,069
Pension	0	22,705,230	0	22,705,230
TOTAL DEFERRED OUTFLOWS OF RESOURCES	0	67,901,894	0	67,901,894
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$ 56,913,061	$ 178,845,298	$ (12,356,567)	$ 223,401,792
LIABILITIES				
Accounts Payable	$ 1,742,282	$ 0	$ 0	$ 1,742,282
Accrued Liabilities	470,980	166,495	0	637,475
Due to Other Governments	135,783	0	0	135,783
Due to Other Funds	12,356,567	0	(12,356,567)	0
Due to Teachers' Retirement System	5,292,108	0	0	5,292,108
Due to Employees' Retirement System	280,660	0	0	280,660
Deferred Revenues	146,402	0	0	146,402
Other Liabilities	1,155	0	0	1,155
Bond Anticipation Notes	41,644,470	0	0	41,644,470
Bonds Payable	0	31,552,972	0	31,552,972
Leases Payable	0	1,030,156	0	1,030,156
Compensated Absences	0	300,829	0	300,829
Other Postemployment Benefits	0	175,834,478	0	175,834,478
Net Pension Liability - Proportionate Share	0	5,977,341	0	5,977,341
TOTAL LIABILITIES	62,070,407	214,862,271	(12,356,567)	264,576,111
DEFERRED INFLOWS OF RESOURCES				
Other Postemployment Benefits	0	68,004,439	0	68,004,439
Pension	0	3,568,448	0	3,568,448
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	62,070,407	286,435,158	(12,356,567)	336,148,998
FUND BALANCES / NET POSITION	(5,157,346)	(107,589,860)	0	(112,747,206)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION	$ 56,913,061	$ 178,845,298	$ (12,356,567)	$ 223,401,792

See notes to financial statement.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Real Property Taxes	$ 91,781,530	$ 0	$ 0	$ 0	$ 0	$ 0	$ 91,781,530
Other Tax Items	1,257,973	0	0	0	0	0	1,257,973
Non Property Taxes	2,787,801	0	0	0	0	0	2,787,801
Charges for Services	960,724	0	2,624,156	0	0	0	3,584,880
Use of Money & Property	1,584,231	0	20,307	17,687	0	77,561	1,699,786
Sale of Property & Compensation for Loss	5,526	0	0	0	0	0	5,526
Miscellaneous	602,351	0	3,029	1,721,020	0	0	2,326,400
State Sources	3,610,009	196,127	0	0	0	0	3,806,136
Federal Sources	0	935,659	2,101	0	0	0	937,760
TOTAL REVENUES	102,590,145	1,131,786	2,649,593	1,738,707	0	77,561	108,187,792
EXPENDITURES							
General Support	9,965,940	0	0	0	0	0	9,965,940
Instruction	60,184,994	1,132,768	0	1,498,563	0	0	62,816,325
Pupil Transportation	1,685,484	119,018	0	0	0	0	1,804,502
Community Services	27,400	0	0	0	0	0	27,400
Employee Benefits	23,242,635	0	0	0	0	0	23,242,635
Debt Service:							
Principal	2,438,464	0	0	0	0	0	2,438,464
Interest	2,702,691	0	0	0	0	0	2,702,691
Cost of Sales	0	0	2,360,027	0	0	0	2,360,027
Capital Outlay	0	0	0	0	5,797,433	0	5,797,433
TOTAL EXPENDITURES	100,247,608	1,251,786	2,360,027	1,498,563	5,797,433	0	111,155,417
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	2,342,537	(120,000)	289,566	240,144	(5,797,433)	77,561	(2,967,625)
OTHER SOURCES & USES							
Bond Anticipation Notes Paid from Current Appropriations	0	0	0	0	485,000	0	485,000
Premium on Obligation	0	0	0	0	0	288,612	288,612
Operating Transfers In	11,442	120,000	0	0	655,000	0	786,442
Operating Transfers (Out)	(775,000)	0	0	0	(11,442)	0	(786,442)
TOTAL OTHER SOURCES & USES	(763,558)	120,000	0	0	1,128,558	288,612	773,612
EXCESS (DEFICIENCY) REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	1,578,979	0	289,566	240,144	(4,668,875)	366,173	(2,194,013)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	18,965,552	0	1,090,974	1,143,320	(24,766,273)	603,094	(2,963,333)
FUND BALANCES (DEFICITS), END OF YEAR	$ 20,544,531	$ 0	$ 1,380,540	$ 1,383,464	$ (29,435,148)	$ 969,267	$ (5,157,346)

See notes to financial statement.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
REVENUES						
Real Property Taxes	$ 91,781,530	$ 0	$ 0	$ 0	$ 0	$ 91,781,530
Other Tax Items	1,257,973	0	0	0	0	1,257,973
Non Property Taxes	2,787,801	0	0	0	0	2,787,801
Charges for Services	3,584,880	0	0	0	0	3,584,880
Use of Money & Property	1,699,786	0	0	0	0	1,699,786
Sale of Property & Compensation for Loss	5,526	0	0	0	0	5,526
Miscellaneous	2,326,400	0	0	0	288,612	2,615,012
State Sources	3,806,136	0	0	0	0	3,806,136
Federal Sources	937,760	0	0	0	0	937,760
TOTAL REVENUES	108,187,792	0	0	0	288,612	108,476,404
EXPENDITURES						
General Support	9,965,940	(1,790)	319,241	0	4,626,005	14,909,396
Instruction	62,816,325	(10,142)	2,255,174	0	28,960,455	94,021,812
Pupil Transportation	1,804,502	0	318,378	0	837,616	2,960,496
Community Services	27,400	0	0	0	0	27,400
Employee Benefits	23,242,635	11,379,160	0	0	(34,621,795)	0
Debt Service:						
Principal	2,438,464	0	0	(1,953,464)	(485,000)	0
Interest	2,702,691	82,935	0	(174,202)	0	2,611,424
Cost of Sales	2,360,027	0	53,063	0	0	2,413,090
Capital Outlay	5,797,433	0	(5,995,152)	0	197,719	0
TOTAL EXPENDITURES	111,155,417	11,450,163	(3,049,296)	(2,127,666)	(485,000)	116,943,618
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	(2,967,625)	(11,450,163)	3,049,296	2,127,666	773,612	(8,467,214)
OTHER SOURCES & USES						
Bond Anticipation Notes Paid from Current Appropriations	485,000	0	0	0	(485,000)	0
Premium on Obligation	288,612	0	0	0	(288,612)	0
Operating Transfers In	786,442	0	0	0	(786,442)	0
Operating Transfers (Out)	(786,442)	0	0	0	786,442	0
TOTAL OTHER SOURCES & USES	773,612	0	0	0	(773,612)	0
NET CHANGE FOR THE YEAR	$ (2,194,013)	$ (11,450,163)	$ 3,049,296	$ 2,127,666	$ 0	$ (8,467,214)

See notes to financial statement.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

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

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, Component Units. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue Fund.

B. Joint Venture

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Joint Venture (Continued)

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

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. In the Southern Westchester BOCES, each component district's share of administrative and capital cost may be determined by using the weighted average daily attendance for a certain percentage and the true valuation for a certain percentage, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year ended June 30, 2024, the Rye City School District was billed $1,906,415 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $456,564. Financial statements for BOCES are available from the BOCES administrative office at 17 Berkley Drive, Rye Brook, New York 10573.

C. Basis of Presentation

1. District-Wide Statements

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

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements

The fund statements provide information about the District's funds. Separate statements for each fund category (governmental) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

Special Aid Fund: Used to account for proceeds received from State and federal grants that are restricted for specific educational programs.

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for the Scholarship and Extraclassroom Activity Funds.

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

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

D. Measurement Focus and Basis of Accounting

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Property Taxes

Real property taxes attach as an enforceable lien on real property as of July 1st and are payable in two installments due in August and November. The School District is responsible for the collection of taxes until May of the fiscal year, at which time the responsibility is transferred to the City of Rye, New York ("City"). The City remits to the School District the uncollected balance of the School District's levy generally before the end of the fiscal year.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

F. Restricted Resources

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

G. Interfund Transactions

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

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities). Eliminations have been made for all interfund receivables and payables between the funds.

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

Refer to Note 11 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues 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, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in 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.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

I. Cash and Investments (Continued)

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 United States and its agencies and obligations of the State and its municipalities and Districts.

Investments are stated at fair value.

J. Accounts Receivable

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

K. Right to Use Assets

A right of use asset is a lessee's right to use an asset over the life of the lease. Right to use assets are reported at present value.

L. Inventories and Prepaid Items

Purchases of inventoriable items 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.

M. Other Assets/Restricted Assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants

N. Capital Assets

Capital assets are reported at cost for acquisitions. For assets acquired prior to June 30, 2002, estimated historical costs based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Land and construction in progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

N. Capital Assets (Continued)

as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land Improvements	$ 5,000	Straight Line	20 years
Buildings and Improvements	5,000	Straight Line	25 - 50 years
Furniture and Equipment	5,000	Straight Line	5 - 20 years

O. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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/expenditure) until then. The District has three items that qualify for reporting in this category. The District reports deferred amounts on refunding in the Statement of Net Position as a deferred outflow of resources. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item the District reports is deferred outflows of resources related to pensions. For additional information on deferred outflows related to pensions, see Note 10. The third deferred outflow is related to other postemployment benefits reported in the Statement of Net Position. For additional information on these deferred outflows related to other postemployment benefits, see Note 12.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide financial statements. For additional information on deferred inflows related to pensions, see Note 10. The second deferred inflow is related to other postemployment benefits reported in the Statement of Net Position. For additional information on these deferred inflows related to other postemployment benefits, see Note 12.

P. Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

Statute provides the authority for the District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available.

Unearned revenues recorded in governmental funds are typically adjusted prior to inclusion in the District-wide statements.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Q. Vested Employee Benefits

1. Compensated Absences

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

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

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

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

2. Other Benefits

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

In addition to providing pension benefits, the District provides post-employment 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.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and most of the retired employees. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

R. Short-Term Debt

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

R. Short-Term Debt (Continued)

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that year. The deficiency notes may mature no later than the close of the year following the year in which they were issued. However, they may mature no later than the close of the second fiscal year after the year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the year following the year in which they were issued.

S. 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, other postemployment benefits payable 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.

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.

T. Equity Classifications

1. District-wide Statements

In the district-wide 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, constructions or improvements of those assets.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

1. District-wide Statements (Continued)

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

Unrestricted net position - reports 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. Funds Statements

In the governmental fund statements, there are five classifications of fund balance:

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted: Constraints have been imposed on the use of these amounts either (a) externally by creditors, grantors, contributors or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General fund are classified as restricted fund balances. The District has established the following reserves that have been included in restricted fund balance:

Capital Reserve

Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

Reserve for Debt Service

Mandatory Reserve for Debt Service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Tax Certiorari Reserve

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

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Teachers Retirement Contribution Reserve

According to amendments to General Municipal Law §6-r, this reserve must be used to finance retirement contributions to the New York State Teachers Retirement System ("TRS") and/or offset all or some of the amount deducted from the moneys apportioned to the District from the state under Education Law § 521. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. The amount of moneys contributed annually to the TRS sub-fund cannot exceed 2% of the total compensation or salaries of all teachers employed by the district who are members of TRS paid during the immediately preceding fiscal year. Nor can the balance of the sub-fund exceed 10% of the total compensation or salaries of all teachers employed by the district who are members of TRS paid during the immediately preceding fiscal year.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Restricted fund balance at June 30, 2024 consisted of:

General Fund:		
Capital Reserves	$	2,350,000
Tax Certiorari Reserve		4,584,986
Retirement Contribution Reserve		2,057,815
Teachers Retirement Contribution Reserve		1,451,597
		10,444,398
School Lunch Fund		1,360,462
Miscellaneous Special Revenue Fund		1,383,464
Debt Service Fund		969,267
Total Restricted Fund Balance	$	14,157,591

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2024.

Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

Order of Use of Fund Balance:
The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Limitation on Unexpended Surplus Funds:
NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds the District can retain to no more than 4% of the District's General Fund 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.

U. New Accounting Standards

GASB has issued Statement 99, *Omnibus 2022*, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The District has implemented GASB Statement 99, as required.

GASB has issued Statement 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District has implemented GASB Statement 100, as required.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

V. Future Changes in Accounting Standards

GASB has issued Statement 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2025 financial statements.

GASB has issued Statement 102, *Certain Risk Disclosures*, the objective of this Statement is to provide users of governmental financial statements with essential information about risk related to government's vulnerabilities due to certain concentrations or constraints. The Statement requires a government that reports a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, the Statement requires a government to assess whether an event or events that could have a substantial impact, have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2026 financial statements.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS.

Due to the differences in the measurement focus and basis of accounting used in the governmental 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 Balances of Governmental Funds vs. Net Position of Governmental Activities:

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

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2024 were as follows:

Original Cost of Capital Assets	$ 150,386,454
Accumulated Depreciation	(40,418,752)
	$ 109,967,702

2. The cost of right to use assets (building) financed from governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those right to use assets among the assets of the District as a whole, with the present value capitalized and amortization expensed annually of the period of use. The balances at June 30, 2024 were as follows:

Original Cost of Right to Use Assets	$ 1,463,552
Accumulated Amortization	(487,850)
	$ 975,702

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS.

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

3. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2024 were as follows:

Deferred Outflows of Resources - Pensions	$ (22,705,230)
Net Pension Liability - Proportionate Share	5,977,341
Deferred Inflows of Resources - Pensions	3,568,448
	$ (13,159,441)

4. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expended when it is due, and thus requires the use of current financial resources. This liability at June 30, 2024 was as follows:

Accrued Interest	$ 166,495

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

5. Long-term liabilities and related deferred inflows and outflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liablities are not due and payable in the current period. The balances at June 30, 2024 were as follows:

Bonds Payable	$ 29,810,000
Premium On Bonds Payable	1,742,972
Leases Payable	1,030,156
Compensated Absences	300,829
Deferred Outflows of Resources - OPEB	(44,969,069)
Other Postemployment Benefits	175,834,478
Deferred Inflows of Resources - OPEB	68,004,439
	$ 231,753,805

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

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

1. Long-Term Revenue Differences
Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. 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.

3. 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.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities: (Continued)

4. Pension Plan Transaction Differences
Pension plan transaction differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

5. Other Post Employment Benefits (OPEB) Related Differences
OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities

Total Revenues and Other Funding Sources

Total revenues (Schedule 5)	$ 108,672,792
Premium on Obligations	288,612
Bond Anticipation Notes Paid from Current Appropriations	(485,000)
Total revenues (Schedule 2)	$ 108,476,404

Total Expenditures & Other Uses/Expenses

Total expenditures reported in governmental funds (Schedule 5)	$ 111,155,417
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital expenditures of $5,995,152 were more than depreciation of $2,653,146 in the current year.	(3,342,006)
When the lease of right to use assets are financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are paid for. However, in the Statement of Activities, the present value of those assets is capitalized and the expense is allocated over the period of use and reported as amortization expense. This is the amount by which right to use expenditures of $0 were less than amortization of $292,710 in the current year.	292,710

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (Continued):

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities(Continued)

Total Expenditures & Other Uses/Expenses (Continued)

In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount actually paid). The amount by which compensated absences earned was less than the amount paid during the year was $11,932.	(11,932)
In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which OPEB expenses in the Statement of Activities exceeded the amount of financial resources used during the year.	7,602,613
Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not in the governmental fund statements. This is the amount by which interest payable was greater than the prior year.	82,935
In the Statement of Activities pension expense related to the ERS and TRS defined benefit pension plans is measured as the change in the District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds, however; these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which financial resources expended exceeded the amount of pension expense during the year.	3,776,547
Premiums and discounts on long-term debt issuances, bond issuance costs and deferred amounts from debt refundings are recognized in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities. This is the amount that was amortized during the fiscal year.	(174,202)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (Continued):

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities(Continued)

Total Expenditures & Other Uses/Expenses (Continued)

Repayment of bond and other debt principal is an expenditure in the governmental fund but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	(2,438,464)
Total expenses in the Statement of Activities (Schedule 2)	$ 116,943,618

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

- The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations made during the current fiscal year are shown in Supplemental Schedule #5. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2024.

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

NOTE 3. STEWARDSHIP AND COMPLIANCE.(Continued)

B. Encumbrances

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

C. Other Stewardship and Compliance Matters

The District was in compliance with all legal and contractual provisions for the fiscal year.

NOTE 4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL.

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.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	$ 0.
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 42,449,994

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 $14,692,035 within the governmental funds.

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

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

Total investments of the NYClass cooperative as of year-end are $11,722,084,338, which consisted of $1,924,275,821 in repurchase agreements, $6,751,135,206 in U.S. Treasury Bills, $1,281,296,555 in U. S. Treasury Notes and $1,765,376,726 in collateralized bank deposits all with various interest rate and due dates.

NOTE 5. CAPITAL ASSETS.

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 1,486,600	$ 0	$ 0	$ 1,486,600
Construction in Progress	48,898,652	4,340,670	(1,006,658)	52,232,664
Total Nondepreciable Assets	50,385,252	4,340,670	(1,006,658)	53,719,264
Capital assets that are depreciated:				
Land Improvements	652,926	0	0	652,926
Buildings and Improvements	89,024,552	1,468,204	446,495	90,939,251
Furniture & Equipment	4,888,735	186,278	0	5,075,013
Total Depreciable Assets	94,566,213	1,654,482	446,495	96,667,190
Less: Accumulated Depreciation	(37,721,033)	(2,653,146)	(44,573)	(40,418,752)
Capital Assets, Net	$ 107,230,432	$ 3,342,006	$ (604,736)	$ 109,967,702

Depreciation expense was charged to governmental functions as follows:

General Support	$ 26,531
Instruction	2,255,174
Transportation	318,378
Cost of Sales	53,063
Total Depreciation	$ 2,653,146

NOTE 6. RIGHT TO USE ASSETS

	Beginning Balance	Additions	Disposals and Reclassifications	Ending Balance
Governmental Activities				
Right to Use Assets that are Being Amortized:				
Buildings	$ 1,463,552	$ -	$ 0	$ 1,463,552
Less Accumulated Amortization	195,140	292,710	0	487,850
Total Right to Use Assets, Net	$ 1,268,412	$ (292,710)	$ 0	$ 975,702

Amortization was charged to governmental functions as follows:

General Government Support	$ 292,710

NOTE 7. SHORT-TERM DEBT.

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

	Beginning Balance	Issued	Paid/ Redeemed	June 30, 2024 Ending Balance
BAN maturing 11/29/24 at 4.50%	$ 0	$ 3,000,000	$ 0	$ 3,000,000
BAN maturing 6/27/25 at 4.25%	29,129,470	10,000,000	485,000	38,644,470
Total Short-Term Debt	$ 29,129,470	$ 13,000,000	$ 485,000	$ 41,644,470

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

Interest Paid	$ 1,452,428
Less: Interest Accrued in the Prior Year	(7,981)
Plus: Interest Accrued in the Current Year	93,562
Interest Expense	$ 1,538,009

NOTE 8. LONG-TERM LIABILITIES

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

	Beginning Balance	Issued	Paid/ Redeemed	June 30, 2024 Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable					
Bonds Payable	$ 31,497,654	$ 0	$ 1,687,654	$ 29,810,000	$ 1,720,000
Premium on Bonds Payable	1,963,873	0	220,901	1,742,972	220,901
Total Bonds and Notes Payable	33,461,527	0	1,908,555	31,552,972	1,940,901
Other Liabilities:					
Compensated Absences	312,761	0	11,932	300,829	0
Other Postemployment Benefits	165,827,006	22,118,475	12,111,003	175,834,478	0
Net Pension Liability - Proportionate Share	9,513,950	0	3,536,609	5,977,341	0
Total Other Liabilities	175,653,717	22,118,475	15,659,544	182,112,648	0
Total Long-Term Liabilities	$ 209,115,244	$ 22,118,475	$ 17,568,099	$ 213,665,620	$ 1,940,901

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

Existing serial bond and installment purchase obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	June 30, 2024 Balance
Serial Bond - 2015 Refunding	2015	July, 2027	2.5 - 4.00%	$ 1,870,000
Serial Bond - 2021 Refunding	2021	May, 2026	2.00 - 5.00%	7,290,000
Serial Bond - 2023 Issue	2023	June, 2033	4.00%	1,130,000
Serial Bond - 2023 Issue	2023	June, 2049	4.00%	19,520,000
				$ 29,810,000

NOTE 8. LONG-TERM LIABILITIES. (Continued)

The following is a summary of maturing debt service requirements

	Bonds and Notes Payable	
For the Year Ended June 30,	Principal	Interest
2025	$ 1,720,000	$ 1,046,725
2026	1,770,000	978,300
2027	1,830,000	908,513
2028	1,880,000	837,425
2029	1,490,000	769,600
2030 - 2034	7,225,000	2,991,625
2035 - 2039	3,755,000	2,130,450
2040 - 2044	4,580,000	1,419,250
2045 - 2049	5,560,000	574,350
TOTAL	$ 29,810,000	$ 11,656,238

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

Interest paid	$ 1,250,263
Less: Interest accrued in the prior year	(75,579)
Plus: Interest accrued in the current year	72,933
Less: Amortization of premiums, deferred amounts on bond refunding and issuance costs.	(174,202)
Total interest expense	$ 1,073,415

NOTE 9. LEASES.

District as Lessee

Lease agreements are summarized as follows:

Lease Note	Original Date	Maturity Date	Balance June 30, 2024
Building Lease - 555	11/01/22	10/01/27	$ 1,030,156

Annual requirements to amortize long-term obligations and related interest are as follows:

June 30,	Principal Amount	Interest Amount	Total Amount
2025	$ 285,071	$ 4,565	$ 289,636
2026	305,318	30,351	335,669
2027	326,600	14,602	341,202
2028	113,167	1,181	114,348
	$ 1,030,156	$ 50,699	$ 1,080,855

NOTE 10. PENSION PLANS.

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Teachers' Retirement System Plan Description

The New York State Teachers' Retirement System (NYSTRS or the System) is a public employee retirement system (PERS) that was created and exists, pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer, defined benefit plan, administered by a 10-member Board to provide pension benefits for teachers employed by participating employers in the State of New York, excluding New York City. For additional Plan information please refer to the NYSTRS Annual Comprehensive Financial Report which can be found on the System s website located at www.nystrs.org.

ERS Benefits Provided

The ERS System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

NOTE 10. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tiers 1 and 2 (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent greater than of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year of final average salary calculation is limited to no more than 10 percent greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

NOTE 10. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tier 6 (Continued)

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent greater than the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Disability Retirement Benefits

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

NOTE 10. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

TRS Benefits Provided

The benefits provided to members of the TRS System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

NOTE 10. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Service Retirements

Tier 1 and 2 members are generally eligible for a service retirement benefit of 2.0% per year of credited service times final average salary (FAS). A 5% reduction generally applies for each full year of state service under 20 years (prorated for partial years with a maximum reduction of 50%). Tier 1 and 2 members may retire as early as age 55 with five or more years of state service credit. Retirement may also occur for Tier 1 members at age 55 with less than five years of service if two years are credited since July 1, 1967, after the current membership date, and since the member turned age 53.

Generally, the maximum pension payable to Tier 1 and 2 members (with two years of credit under the Article 19 Benefit Enhancement law) is 79% of FAS. An age factor applies to Tier 2 members who retire before age 62 with less than 30 years of service. There is no age factor for Tier 1 members.

Tier 3 and 4 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 2.0% per year for 20 to 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 3 and 4 members may retire as early as age 55 with five years of state service credit. An age factor applies for Tier 3 and 4 members who retire before age 62 with less than 30 years of service.

Tier 5 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 25 years of service, 2.0% per year for 25 to 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 5 members may retire as early as age 55 with 5 years of state service credit. An age factor applies to Tier 5 members who retire before age 57 or retire between age 57 and 62 with less than 30 years of service.

Tier 6 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 1.75% per year for 20 years of service, and 35% of FAS plus 2% per year for service beyond 20 years. Tier 6 members may retire as early as age 55 with five years of state service credit. An age factor applies for Tier 6 members who retire before age 63. In addition, vested Tier 6 members with an inactive membership must be at least 63 to retire.

NOTE 10. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)
Vested Benefits

Retirement benefits for Tiers 1-6 are vested after five years of credited service. Prior to April 9, 2022, Tier 5-6 members needed to attain 10 years of state service credited to be vested. Benefits are payable at age 55 or greater with the limitations noted for service retirements above.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service, except for Tier 3 where disability retirement is permissible after five years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

Prior and Military Service

After two years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under certain conditions, claim out-of-state service. Certain members may also claim military service credit prior to or interrupting membership.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and tier of membership.

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for five years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for five years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the Consumer Price Index (CPI), not to exceed 3.0% nor be lower than 1.0%. It is applied to the first $18,000 dollars of the maximum annual benefit. The applicable percentage payable beginning September 2023 is 2.5%.

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of $17,500 dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the Consumer Price Index (CPI) with a maximum per annum increase of 3.0%.

NOTE 10. PENSION PLANS. (Continued)

Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary 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.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

Year	NYSTRS	NYSERS
2023 - 2024	$ 4,707,282	$ 930,954
2022 - 2023	4,368,474	815,151
2021 - 2022	4,050,679	1,056,613

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

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

	ERS	TRS
Actuarial Valuation Date	March 31, 2024	June 30, 2023
Net pension asset/(liability)	$ (3,144,796)	$ (2,832,545)
District's portion of the Plan's total net pension asset/(liability)	0.0213582%	0.247690%

At March 31, 2024, the District's proportion of the NYSERS net pension asset/ (liability) was a decrease of 0.000492% from its proportion measured as of March 31, 2023.

At June 30, 2023, the District's proportion of the NYSTRS net pension asset/ (liability) was a decrease of 0.003936%, from its proportion measured as of June 30, 2022.

NOTE 10. PENSION PLANS. (Continued)

For the year ended June 30, 2024, the District's recognized pension expense of $1,516,418 for ERS and $7,845,113 for TRS. At June 30, 2024 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	$ 1,012,936	$ 6,868,169	$ 7,881,105
Changes of Assumptions	1,188,977	6,098,386	7,287,363
Net difference between projected and actual earnings on pension plan investments	0	1,447,941	1,447,941
Changes in proportion and difference between the District's contributions and proportionate share of contributions	318,934	197,119	516,053
District's contributions subsequent to the measurement date	280,660	5,292,108	5,572,768
Total	$ 2,801,507	$ 19,903,723	$ 22,705,230

	Deferred Inflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	$ 85,750	$ 16,974	$ 102,724
Changes of Assumptions	0	1,329,110	1,329,110
Net difference between projected and actual earnings on pension plan investments	1,536,216	0	1,536,216
Changes in proportion and difference between the District's contributions and proportionate share of contributions	37,722	562,676	600,398
District's contributions subsequent to the measurement date	0	0	0
Total	$ 1,659,688	$ 1,908,760	$ 3,568,448

NOTE 10. PENSION PLANS. (Continued)

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

Year Ended:	ERS	TRS
2024	$ 0	$ (978,254)
2025	451,897	1,639,672
2026	(685,710)	(11,343,037)
2027	(956,748)	(872,718)
2028	329,403	(702,635)
Thereafter	0	(445,884)

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 valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Inflation Rate	2.9%	2.40%
Projected Salary Increases	4.4%	1.95% - 5.18% Rates of increase differ based on age and gender. Calculations have been based upon recent NYSTRS member experience
Investment Rate of Return	5.90% compounded annually, net of investment expense including inflation	6.95% compounded annually, net of pension plan investment expense including inflation
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Mortality Improvement	Society of Actuaries Scale MP-2021	Society of Actuaries Scale MP-2021

NOTE 10. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate 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 Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2023 for TRS and March 31, 2024 for ERS are summarized in the following table:

	ERS	
Measurement Date	March 31, 2024	
	Target Allocation	Long-term expected real rate of return
Asset Class:		
Domestic Equity	32%	4.00%
International Equity	15%	6.65%
Private Equity	10%	7.25%
Real Estate	9%	4.60%
Opportunistic/ARS Portfolio	3%	5.25%
Credit	4%	5.40%
Real Assets	3%	5.79%
Fixed Income	23%	1.50%
Cash	1%	0.25%
Total	100%	

	TRS	
Measurement Date	June 30, 2023	
	Target Allocation	Long-term expected real rate of return
Asset Class:		
Domestic Equity	33%	6.80%
International Equity	15%	7.60%
Global Equity	4%	7.20%
Real Estate Equity	11%	6.30%
Private Equity	9%	10.10%
Domestic fixed income	16%	2.20%
Global Bonds	2%	1.60%
Private Debt	2%	6.00%
Real Estate Debt	6%	3.20%
High-Yield Bonds	1%	4.40%
Cash Equivalents	1%	0.30%
Total	100%	

*For TRS Real rates of return are net of long-term inflation assumption of 2.40% for 2023.
*For ERS Real rates of return are net of long-term inflation assumption of 2.90% for 2024.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's 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.

NOTE 10. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the ERS and TRS net pension liability calculated using the discount rates referred to above, as well as what the District's proportionate share of the net pension asset / (liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate referred to above:

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (9,887,559)	$ (3,144,796)	$ 2,486,811

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	(43,141,100)	(2,832,545)	31,068,693

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of the measurement dates indicated below were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Employers' total pension asset/(liability)	$ (240,696,851)	$ (138,365,122)
Plan net position	225,972,801	137,221,537
Employer's net pension asset/(liability)	$ (14,724,050)	$ (1,143,585)
Ratio of plan net position to the employers' total pension asset/(liability)	93.88%	99.2%

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 contributions for the period of April 1, 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 $280,660.

NOTE 10. PENSION PLANS. (Continued)

Payables to the Pension Plan (Continued)

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 state aid intercept. Accrued retirement contributions as of 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 $5,292,108.

NOTE 11. INTERFUND BALANCES AND ACTIVITY.

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 978,382	$ 10,938,390	$ 11,442	$ 775,000
Special Aid Fund	0	942,348	120,000	0
School Lunch Fund	1,169	0	0	0
Capital Fund	10,672,039	451,194	655,000	11,442
Miscellaneous Special Revenue	0	24,635		
Debt Service Fund	704,977	0	0	0
Total Governmental Activities	$ 12,356,567	$ 12,356,567	$ 786,442	$ 786,442

Interfund receivables and payables, other than between governmental activities and fiduciary funds, 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.

The District typically transfers from the General Fund to the Special Aid Fund to fund the portion of the Summer Handicapped Program not funded by aid from New York State.

NOTE 12. POST-EMPLOYMENT BENEFITS.

General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan ("the District's OPEB plan"), provides OPEB for all permanent full-time general and public safety employees of the District. The District's OPEB plan is a single-employer defined benefit OPEB plan administered by the District.

NOTE 12. POST-EMPLOYMENT BENEFITS. (Continued)

Benefits Provided – The District's OPEB plan provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. Minimum eligibility requirements for post-employment benefits are as follows:

The retiree is required to make a contribution towards the cost of coverage; contributions vary not only according to employment category (contract), but also depend on the number of accumulated sick days at retirement. The District reimburses Medicare Part B premiums for many current retirees who met the eligibility requirements at the time of retirement. In addition, the District will reimburse Medicare Part B premiums for some future retirees (depending on their hire date and other eligibility requirements). Reimbursement of Medicare Part B premiums has been discontinued for most future retirees who were hired on or after July 1, 2005.

Employees Covered by Benefit Terms – At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	365
Active employees	468
Total Employees Covered by Benefit Terms	833

Total OPEB Liability

The District's total OPEB liability of $175,834,478 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Projected Salary Increases	2.40%
Discount Rate	3.93%
Future Retirees' Share of Benefit Related Costs	Contributions vary by bargaining unit.

NOTE 12. POST-EMPLOYMENT BENEFITS. (Continued)

The discount rate was based on the 20-Year Tax-Exempt General Obligation Municipal Bonds with an average rating of AA/Aa or higher.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2023 - June 30, 2024.

Changes in the Total OPEB Liability

Balance at June 30, 2023	$ 165,827,006
Changes for the Year:	
Service cost	7,805,935
Interest	6,267,105
Differences between expected and actual experience	8,045,435
Changes in assumptions or other inputs	(8,213,141)
Benefit payments	(3,897,862)
Net Changes	10,007,472
Balance at June 30, 2024	$ 175,834,478

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	$ 207,759,502	$ 175,834,478	$ 150,357,672

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	Trend Rate Less 1%	Current Health Care Cost Trend Rates	Trend Rate Plus 1%
Total OPEB Liability	$ 145,549,724	$ 175,834,478	$ 215,374,478

NOTE 12. POST-EMPLOYMENT BENEFITS. (Continued)

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 $11,500,475. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,618,535	$ 21,220,089
Changes of assumptions or other inputs	35,350,534	46,784,350
Total	$ 44,969,069	$ 68,004,439

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:

Fiscal Year Ending June 30,	Amount
2025	$ 2,572,565
2026	2,572,565
2027	2,249,116
2028	2,441,010
2029	10,909,420
Thereafter	2,290,694

NOTE 13. RISK MANAGEMENT.

General Information

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

NOTE 13. RISK MANAGEMENT. (Continued)

Pool, Non-Risk Retained

The District participates in Southern Westchester Health Consortium, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 14 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The District has essentially transferred all related risk to the pool.

Other Contingencies

The District has several claims that are currently being litigated with the support of legal counsel. The results of this litigation are unknown at this time.

NOTE 14. COMMITMENTS AND CONTINGENCIES.

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

NOTE 15. ENCUMBRANCES.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2024 the amount of encumbrances expected to be honored upon performance by the vendor in the subsequent year were as follows:

General Fund	$ 2,977,881
Total Encumbrances	$ 2,977,881

NOTE 16. DONOR-RESTRICTED ENDOWMENTS.

The District administers endowment funds, which are restricted by the donor for the purpose of student scholarships and awards. The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District. These funds are accounted for in the Miscellaneous Special Revenue Fund as follows:

Balance, Beginning of Year	$	66,990
Plus: Receipts		7,700
Less: Disbursements		16,650
Balance, End of Year	$	58,040

NOTE 17. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through October 2, 2024 the date that the financial statements were available to be issued. No other significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

NOTE 18. TAX ABATEMENTS.

The District negotiates property tax abatement agreements on an individual basis. The District has tax abatement agreements with one entity as of June 30, 2024:

	Amount of PILOTS Received During the Year	Amount of Taxes Abated During the Year
Rye Manor	$ 76,805	$ 158,220

Each agreement was negotiated under New York State law, allowing localities to abate property taxes for a variety of development purposes, including business relocation, retention and expansion. The abatements may be granted to any business located within or promising to relocate to a local government's geographic area. Localities may grant abatements of annual property taxes through a direct reduction of the entity's property tax bill. The New York State law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement. The District has not made any commitments as part of the agreements other than to reduce property taxes.

NOTE 19. RESTATEMENT OF NET POSITION.

For the fiscal year ended June 30, 2023, the District has restated the Net Position as reflected in the current year Statement of Activities. The restatement was related to a change in Capital Assets balance as of June 30, 2023. The restatement of Net Position is as follows:

Net Position Beginning of Year, as Previously Stated	$ (103,675,256)
Less: Change in Capital Asset Balance	(604,736)
Net Position Beginning of Year, as Restated	$ (104,279,992)

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
Total OPEB Liability							
Service cost	$ 7,805,935	$ 7,236,345	$ 10,641,438	$ 11,854,394	$ 7,654,786	$ 4,286,868	$ 4,458,672
Interest	6,267,105	5,767,114	5,236,227	5,035,920	5,908,090	4,731,497	4,242,651
Changes of benefit terms	0	0	0	0	0	0	0
Differences between expected and actual experience	8,045,435	0	(29,914,818)	0	(5,133,968)	6,385,629	0
Changes in assumptions or other inputs	(8,213,141)	(1,080,523)	(58,661,433)	2,262,772	49,796,309	30,926,750	(6,010,391)
Benefit payments	(3,897,862)	(3,514,288)	(3,301,456)	(3,480,936)	(3,225,743)	(3,086,713)	(3,395,998)
Net change in total OPEB liability	10,007,472	8,408,648	(76,000,042)	15,672,150	54,999,474	43,244,031	(705,066)
Total OPEB liability-beginning	165,827,006	157,418,358	233,418,400	217,746,250	162,746,776	119,502,745	120,207,811
Total OPEB liability-ending	$ 175,834,478	$ 165,827,006	$ 157,418,358	$ 233,418,400	$ 217,746,250	$ 162,746,776	$ 119,502,745
Covered-employee payroll	$ 49,578,048	$ 43,853,301	$ 43,853,301	$ 45,267,610	$ 45,267,610	$ 48,161,753	$ 44,169,883
Total OPEB liability as a percentage of covered-employee payroll	354.66%	378.14%	358.97%	515.64%	481.02%	337.92%	270.55%

Notes to Schedule:

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

* GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR'S REVENUES	OVER (UNDER) REVISED BUDGET
REVENUES				
LOCAL SOURCES:				
Real Property Taxes	$ 92,646,808	$ 91,771,192	$ 91,781,530	$ 10,338
Other Tax Items	251,805	1,127,421	1,257,973	130,552
Non Property Taxes	2,600,000	2,600,000	2,787,801	187,801
Charges for Services	464,000	464,000	960,724	496,724
Use of Money & Property	90,000	90,000	1,584,231	1,494,231
Sale of Property & Compensation for Loss	21,000	21,000	5,526	(15,474)
Miscellaneous	1,872,500	1,872,500	602,351	(1,270,149)
STATE SOURCES	3,253,389	3,253,389	3,610,009	356,620
OTHER SOURCES:				
Operating Transfers In	0	0	11,442	11,442
TOTAL REVENUES	101,199,502	101,199,502	$ 102,601,587	$ 1,402,085
APPROPRIATED FUND BALANCE	3,977,928	3,977,928		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	$ 105,177,430	$ 105,177,430		

See paragraph on supplementary schedules included in auditor's report.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
EXPENDITURES					
GENERAL SUPPORT:					
Board of Education	$ 77,766	$ 83,936	$ 72,988	$ 18	$ 10,930
Central Administration	550,667	546,481	528,375	12,319	5,787
Finance	1,098,461	988,074	945,117	39,575	3,382
Staff	1,131,566	1,136,100	1,069,117	50,178	16,805
Central Services	6,927,374	6,914,331	5,590,881	1,302,970	20,480
Special Items	1,130,224	2,760,067	1,759,462	1,000,000	605
INSTRUCTIONAL:					
Instruction, Administration & Improvement	5,307,961	5,338,974	5,214,867	97,952	26,155
Teaching - Regular School	33,210,951	33,547,467	33,505,986	8,075	33,406
Programs for Children with Handicapping Conditions	12,974,698	11,940,501	11,501,302	439,199	0
Instructional Media	4,585,479	3,737,078	3,679,859	26,914	30,305
Pupil Services	5,897,809	6,336,975	6,282,980	681	53,314
PUPIL TRANSPORTATION	1,505,700	1,685,624	1,685,484	0	140
COMMUNITY SERVICES	40,500	29,500	27,400	0	2,100
EMPLOYEE BENEFITS	25,471,123	24,201,167	23,242,635	0	958,532
DEBT SERVICE:					
Debt Service - Principal	2,117,654	2,453,464	2,438,464	0	15,000
Debt Service - Interest	2,374,497	2,702,691	2,702,691	0	0
TOTAL EXPENDITURES	104,402,430	104,402,430	100,247,608	2,977,881	1,176,941
OTHER USES:					
Operating Transfers Out	775,000	775,000	775,000	0	0
TOTAL EXPENDITURES & OTHER USES	$ 105,177,430	$ 105,177,430	101,022,608	$ 2,977,881	$ 1,176,941
EXCESS OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES			$ 1,578,979		

See paragraph on supplementary schedules included in auditor's report.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

NYSERS Pension Plan
Last 10 Fiscal Years

	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
District's proportion of the net pension asset/(liability)	0.0213582%	0.0218500%	0.0198700%	0.0195064%	0.0189071%	0.0186253%	0.0204999%	0.0199657%	0.0200887%	0.0200237%
District's proportionate share of the net pension asset/(liability)	$ (3,144,796)	$ (4,685,516)	$ 1,624,291	$ (19,423)	$ (5,006,717)	$ (1,319,662)	$ (661,624)	$ (1,876,018)	$ (3,224,299)	$ (676,450)
District's covered-employee payroll	$ 8,034,781	$ 7,615,173	$ 7,025,153	$ 7,034,857	$ 6,787,911	$ 6,431,111	$ 6,242,915	$ 6,346,200	$ 5,681,901	$ 5,732,056
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-39.14%	-61.53%	23.12%	-0.28%	-73.76%	-20.52%	-10.60%	-29.56%	-56.75%	-11.80%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

NYSTRS Pension Plan
Last 10 Fiscal Years

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's proportion of the net pension asset/(liability)	0.247690%	0.251626%	0.250421%	0.242078%	0.242078%	0.228365%	0.227327%	0.224818%	0.212542%	0.221643%
District's proportionate share of the net pension asset/(liability)	$ (2,832,545)	$ (4,828,434)	$ 43,395,593	$ (6,882,144)	$ 6,289,208	$ 4,129,437	$ 1,727,907	$ (2,407,895)	$ 22,076,317	$ 24,689,693
District's covered-employee payroll	$ 47,493,729	$ 45,751,749	$ 44,905,915	$ 42,273,020	$ 40,406,788	$ 37,198,061	$ 36,023,764	$ 35,693,702	$ 33,933,042	$ 32,761,261
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-5.96%	-10.55%	96.64%	-16.28%	15.56%	11.10%	4.80%	-6.75%	65.06%	75.36%
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%

See paragraph on supplementary schedules included in auditor's report.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2024

NYSERS Pension Plan
Last 10 Fiscal Years

	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
Contractually required contribution	$ 930,954	$ 815,151	$ 1,056,613	$ 931,964	$ 894,260	$ 946,798	$ 866,463	$ 888,742	$ 980,894	$ 968,448
Contributions in relation to the contractually required contribution	930,954	815,151	1,056,613	931,964	894,260	946,798	866,463	888,742	980,894	968,448
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 8,034,781	$ 7,615,173	$ 7,025,153	$ 7,148,918	$ 6,885,690	$ 6,397,619	$ 6,294,683	$ 6,540,129	$ 5,694,619	$ 5,749,619
Contributions as a percentage of its covered-employee payroll	11.59%	10.70%	15.04%	13.04%	12.99%	14.80%	13.76%	14.51%	17.22%	16.84%

NYSTRS Pension Plan
Last 10 Fiscal Years

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Contractually required contribution	$ 4,707,282	$ 4,368,474	$ 4,050,679	$ 4,050,559	$ 3,745,390	$ 4,291,135	$ 3,644,730	$ 4,221,985	$ 4,732,985	$ 5,607,448
Contributions in relation to the contractually required contribution	4,707,282	4,368,474	4,050,679	4,050,559	3,745,390	4,291,135	3,644,730	4,221,985	4,732,985	5,607,448
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 47,493,729	$ 45,751,749	$ 44,905,915	$ 42,503,241	$ 42,273,020	$ 40,406,788	$ 37,198,061	$ 36,023,764	$ 35,693,702	$ 33,933,042
Contributions as a percentage of its covered-employee payroll	9.91%	9.55%	9.02%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	16.53%

See paragraph on supplementary schedules included in auditor's report.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET	$ 103,899,502
ADDITIONS:	
Encumbrances from Prior Year	1,277,928
FINAL BUDGET	$ 105,177,430

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024–2025 Voter-approved expenditure budget maximum allowed (4% of 2024–2025 budget, $110,556,311)		$ 4,422,252
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 5,677,881	
Unassigned Fund Balance	4,422,252	
Total Unrestricted Fund Balance	10,100,133	
Less:		
Appropriated Fund Balance	2,700,000	
Encumbrances Included in Assigned Fund Balance	2,977,881	
Total Adjustments	$ 5,677,881	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 4,422,252
Actual Percentage		4.00%

See paragraph on supplementary schedules included in auditor's report.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2024

			EXPENDITURES TO DATE				METHODS OF FINANCING					
	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	PRIOR YEARS	CURRENT YEAR	TOTAL	UNEXPENDED BALANCE	PROCEEDS FROM DEBT	STATE SOURCES	LOCAL SOURCES	TOTAL	FUND BALANCE JUNE 30, 2024	BANS OUTSTANDING NOTES JUNE 30, 2024
High School Science Classroom Addition - 2013	$ 17,302,889	$ 17,302,889	$ 17,186,471	$ 0	$17,186,471	$ 116,418	$ 16,350,000	$ 0	$ 981,990	$ 17,331,990	$ 145,519	$ 0
District-Wide Repairs and Maintenance - 2016	766,267	766,267	546,404	219,863	766,267	0	0	0	766,267	766,267	0	0
District-Wide Repairs and Maintenance - 2017	775,000	775,000	447,068	327,932	775,000	0	0	0	775,000	775,000	0	0
Distrit-Wide Multi Year Construction	79,900,000	79,900,000	47,891,993	4,340,671	52,232,664	27,667,336	20,000,000	0	2,025,000	22,025,000	(30,207,664)	41,644,470
District-Wide Repairs and Maintenance - 2021	635,000	635,000	424,305	210,695	635,000	0	0	0	635,000	635,000	0	0
Smart Schools Bond Act	286,640	286,640	275,198	11,442	286,640	0	0	286,640	0	286,640	0	0
District-Wide Repairs and Maintenance - 2022	700,000	700,000	412,714	287,286	700,000	0	0	0	700,000	700,000	0	0
District-Wide Repairs and Maintenance - 2023	500,000	500,000	117,017	382,983	500,000	0	0	0	500,000	500,000	0	0
District-Wide Repairs and Maintenance - 2024	655,000	655,000	0	28,003	28,003	626,997	0	0	655,000	655,000	626,997	0
Totals	$ 101,520,796	$ 101,520,796	$ 67,301,170	$ 5,808,875	$73,110,045	$ 28,410,751	$ 36,350,000	$ 286,640	$ 7,038,257	$ 43,674,897	$ (29,435,148)	$ 41,644,470

See paragraph on supplementary schedules included in auditor's report.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS, NET		$ 109,967,702
RIGHT TO USE ASSETS, NET		975,702
ADDITIONS:		
Deferred Amount of Refunding		227,595
		111,170,999
DEDUCTIONS:		
Bond Anticipation Notes	$ 41,644,470	
Short-term Portion of Leases Payable	285,071	
Long-term Portion of Leases Payable	745,085	
Short-term Portion of Bonds Payable (including an unamortized bond premiums of $220,901)	1,940,901	
Long-term Portion of Bonds Payable (including an unamortized bond premium of $1,522,071)	29,612,071	
Total Deductions		74,972,683
NET INVESTMENT IN CAPITAL ASSETS		$ 36,198,316

See paragraph on supplementary schedules included in auditor's report.

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

To the President and Members
of the Board of Education of the
Rye City School District
Rye, 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 and each major fund of Rye City School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Rye City School District's basic financial statements and have issued our report thereon dated October 2, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rye City School 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 Rye City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Rye City School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Nugent & Haeussler PC

Montgomery, New York
October 2, 2024

Nugent & Haeussler, P.C.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the President and Members
of the Board of Education of the
Rye City School District
Rye, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Rye City School 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 Rye City School 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 Rye City School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Rye City School 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 Rye City School 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 Rye City School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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.

Nugent & Haeussler PC

Montgomery, New York
October 2, 2024

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
Passed-through NYS Education Department:				
Cash Assistance				
Special Milk Program for Children	10.556	N/A	$ 0	$ 2,101
TOTAL U.S. DEPT. OF AGRICULTURE			0	2,101
U.S. DEPARTMENT OF EDUCATION				
Passed-through NYS Education Department:				
Special Education Cluster:				
IDEA - Part B, Section 611	84.027	0032-24-0678	97,696	822,738
IDEA - Part B, Section 619	84.173	0033-24-0678	15,409	18,773
Total Special Education Cluster			113,105	841,511
Title I Parts A&D, Basic Program	84.010	0021-24-2235	0	45,960
Title II Part A, Teacher & Principal Training & Recruiting	84.367	0147-24-2235	0	30,792
Title III Part A, English Language Acquisition	84.365	0293-24-3785	0	1,277
Title III Part A, English Language Acquisition	84.365	0293-23-3785	0	6,211
Title IV SSAE ALL	84.424	0204-24-3610	0	9,011
Title IV SSAE ALL	84.424	0204-23-3610	0	897
Total Passed-through NYS Education Department			113,105	935,659
TOTAL U.S. DEPARTMENT OF EDUCATION			113,105	935,659
TOTAL FEDERAL AWARDS EXPENDED			$ 113,105	$ 937,760

See Notes to Schedule of Expenditures of Federal Awards.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION.

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by 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 that are passed through from other government agencies. The information is presented in accordance with the 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). 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. The District's policy is not to charge federal award programs with indirect costs.

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 and 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.

NOTE 2. OTHER DISCLOSURES.

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

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

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Report the Auditor Issued on Whether the Financial Statements Audited Were Presented in Accordance with GAAP: Unmodified

Internal Control over Financial Reporting:

Material weakness(es) identified? ____ Yes __X__ No

Significant deficiency(ies) identified? ____ Yes __X__ None Reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

FEDERAL AWARDS

Internal Control over Major Programs:

Material weakness(es) identified? ____ Yes __X__ No

Significant deficiency(ies) identified? ____ Yes __X__ None Reported

Type of Auditor's Opinion Issued on Compliance for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR-200.516(a)? ____ Yes __X__ No

IDENTIFICATION OF MAJOR PROGRAMS:

ASSISTANCE LISTING NUMBERS	NAME OF FEDERAL PROGRAM OR CLUSTER
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000.00

Auditee qualified as low-risk auditee? __X__ Yes ____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings relating to the financial statements as required to be reported in accordance with the Uniform Guidance.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies in Internal Control

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR 200.516(a).

B. Compliance Findings

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR 200.516(a).

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Finding: 2023-001 IDEA – Part B, Section 611 (84.027)
IDEA – Part B, Section 619 (84.173)

Condition: For one District employee whose time was being charged to the grants but who was working less than 100% of the time in the federal award program, were required to complete monthly certifications of the percentage of time they worked in each federal award program. However, the monthly reports were not being completed by the district.

Recommendation: We recommend that the District ensure that the employees working in the grants are timely certifying their actual percent of time and effort that is being spent working in the federal award program. Monthly certifications should be completed if less than 100% of time is being worked in the federal award program or semiannually if 100% of time is being spent.

Current Status: The District's employee working in the grant was signing certifications that contain percentages related to their percentage of time spent working in the grant. No similar findings were noted in the 2023-2024 audit.

NH

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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Rye City School District
Rye, New York

Opinion

We have audited the accompanying financial statements of Rye City School District's extraclassroom activity funds, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2024 and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance - cash basis of Rye City School District's extraclassroom activity funds as of June 30, 2024, and its receipts and disbursements-cash basis for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rye City School District extraclassroom activity funds 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are 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 that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Rye City School District's extraclassroom activity funds 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 Rye City School District's extraclassroom activity funds 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.

Nugent & Haeussler PC

Montgomery, New York
October 2, 2024

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2024

ASSETS

Cash in Checking		$ 99,217

LIABILITIES AND FUND BALANCE

FUND BALANCE		
Fund Balance, Beginning of Year	$ 79,248	
Excess of Receipts over Disbursements	19,969	
Fund Balance, End of Year		$ 99,217

See notes to financial statement.

RYE CITY SCHOOL DISTRICT
RYE, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	FUND BALANCE JUNE 30, 2023	RECEIPTS	DISBURSEMENTS	FUND BALANCE JUNE 30, 2024
HIGH SCHOOL				
Adopt A Soldier	$ 0	$ 0	$ 0	$ 0
Aerospace	184	135	0	319
Animal Welfare	273	131	0	404
Appletes	268	0	0	268
ASL	143	0	143	0
Athletics Clubs	1,098	0	0	1,098
Be the Change	111	107	156	62
Billion Oyster Club	0	1,466	1,244	222
Cancer Awareness	644	234	234	644
Chorus	341	0	0	341
Civics Club	97	0	0	97
Crafts Club	233	0	49	184
RFE Clubs Donation	0	12,615	12,615	0
Class of 2022	198	0	182	16
Class of 2023	5,095	910	5,845	160
Class of 2024	1,671	37,563	30,799	8,435
Class of 2025	3,048	53,701	40,835	15,914
Class of 2026	2,873	0	0	2,873
Class of 2027	0	6,779	1,521	5,258
Debate Club	0	8,000	1,219	6,781
Entrepreneurship Club	17	1,949	1,615	351
Environmental Club	2,569	296	0	2,865
Gardening Club	172	0	0	172
Garnet Connect	43	93	111	25
GSA	(113)	195	0	82
International Club	627	0	0	627
JSA Investment Club	1,315	0	0	1,315
Mandarin Club	155	237	0	392
Mock Trial Club	0	675	0	675
Model UN	371	4,500	255	4,616
Peer 2 Peer	64	305	229	140
Pep Rally	6,856	0	0	6,856
Reach Out Rye	0	0	0	0
Rhythm on Rye	934	3,519	3,425	1,028
Science Olympiad	0	5,940	2,115	3,825
Social Services	1,166	0	0	1,166
Spanish Club	155	275	428	2
Student Council	1,358	184	981	561
Theater	15,507	25,491	36,794	4,204
Zephyr	90	0	0	90
TOTAL HIGH SCHOOL	47,563	165,300	140,795	72,068
MIDDLE SCHOOL				
Junior GO	3,072	0	0	3,072
RMS A.L.I.V.E.	661	0	0	661
MS Art	165	0	0	165
MS Drama	5,353	6,038	10,706	685
MS International Club	0	0	0	0
MS Science Olympiad	246	0	0	246
MS Ryebotics	864	0	1,068	(204)
MS Photography	307	0	0	307
MS Yearbook	21,017	1,250	50	22,217
TOTAL MIDDLE SCHOOL	31,685	7,288	11,824	27,149
TOTAL ALL SCHOOLS	$ 79,248	$ 172,588	$ 152,619	$ 99,217

See notes to financial statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Rye City School District. We have included the Extraclassroom Activity Fund balances within the Miscellaneous Special Revenue Fund of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.

(b) The books and records of the Rye City School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.

(c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.

FORM OF BOND COUNSEL'S OPINION –BONDS

June 26, 2025

City School District of the City of Rye,
Westchester County
State of New York

Re: City School District of the City of Rye, New York
$41,084,470 School District (Serial) Bonds, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $41,084,470 School District (Serial) Bonds, 2025 (the "Obligations"), of the City School District of the City of Rye, New York , Westchester County, New York (the "Obligor"), dated June 26, 2025, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of ____ hundredths per centum (_____%) per annum as to bonds maturing in _____, payable on June 15, 2026, December 15, 2026 and semi-annually thereafter on June 15 and December 15, and maturing in the amount of $_________ on June 15, 2026,$_________ on June 15, 2027, $_________ on June 15, 2028, $_________ on June 15, 2029, $_________ on June 15, 2030, $_________ on June 15, 2031, $_________ on June 15, 2032, $_________ on June 15, 2033, $_________ on June 15, 2034, $_________ on June 15, 2035, $_________ on June 15, 2036, $_________ on June 15, 2037, $_________ on June 15, 2038, $__________ on June 15, 2039, $_________ on June 15, 2040, $_________ on June 15, 2041, $_________ on June 15, 2042, $_________ on June 15, 2043, $_________ on June 15, 2044, $_________ on June 15, 2045, $_________ on June 15, 2046, $_________ on June 15, 2047, $_________ on June 15, 2048, and $_________ on June 15, 2049.

The Obligations maturing on or before June 15, 2033 shall not be subject to redemption prior to maturity. The Obligations maturing on or after June 15, 2034 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Obligor on June 15, 2033 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

FORM OF BOND COUNSEL'S OPINION - NOTES

June 26, 2025

City School District of the City of Rye,
County of Westchester,
State of New York

Re: City School District of the City of Rye, Westchester County, New York
$16,280,530 Bond Anticipation Notes, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $16,280,530 Bond Anticipation Notes, 2025 (the "Obligation"), of the City School District of the City of Rye, Westchester County, New York (the "Obligor"), dated June 26, 2025 and is issued in the denomination of $______, bearing interest at the rate of ___% per annum, payable at maturity, and maturing June 26, 2026.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP