

**Union Free School District of the
Tarrytowns, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2025

Union Free School District of the Tarrytowns, New York

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Independent Auditors' Report

**The Board of Education of the
Union Free School District of the Tarrytowns, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Union Free School District of the Tarrytowns, New York ("School District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Policy

We draw attention to Note 2D in the notes to financial statements which disclose the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "*Compensated Absences*". Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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 School District's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules 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 7, 2025 on our consideration of the 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 not to provide an opinion on the effectiveness of the 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 the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
October 7, 2025

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Union Free School District of the Tarrytowns, New York

Management's Discussion and Analysis (MD&A)
June 30, 2025

Introduction

Our discussion and analysis of the School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2025. To enhance your understanding of the School District's financial performance, it should be read in conjunction with the basic financial statements that immediately follow this section.

Financial Highlights

Key financial highlights for fiscal year 2024-2025 are as follows:

- At the close of the current fiscal year, the School District's governmental funds financial statement shows a combined ending fund balance of \$20,067,346, an increase of \$1,435,927 from the prior year. The increase was due to various factors including significant unbudgeted interest, greater than anticipated tuition payments, sales tax revenue, and refunds from the prior year.
- 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. At the end of the current fiscal year, this amount for the General Fund was \$4,054,011 or 4%.
- During the current fiscal year, the School District retired \$4,050,000 of general obligation bonds issued in previous years for various capital projects.
- On the district-wide financial statements, the liabilities, and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at the close of its most recent fiscal year by \$111,592,022. This represented an increase of \$12,086,961 for the year ended June 30, 2025 (inclusive of the cumulative effect of change in accounting principle). This increase was mostly caused by the new GASB Statement No. 101 which takes into account a cumulative accounting change with regard to employee compensated absences.
- For the year ended June 30, 2025, the School District's OPEB liability of \$120,944,187 is reflected on the district-wide Statement of Net Position and impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", is presented in Note 3D in the notes to the financial statements.
- The district-wide financial statements for the year ended June 30, 2025 are also significantly impacted by the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*." This pronouncement established accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Under this standard, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At June 30, 2025, the School District reported in its Statement of Net Position its proportionate share of the

ERS net pension liability of \$ 4,217,491. It also reported a net pension asset of \$6,389,183 for its proportionate share of the TRS net pension asset. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3D in the notes to financial statements.

- The School District adopted the provisions of GASB Statement No. 87, "*Leases*". This statement established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset and a lessor to recognize a receivable and a deferred inflow of resources. More detailed information about the School District's lease reporting in accordance with the provisions of GASB Statement No. 87 is presented in Note 3D in the notes to financial statements.
- The School District adopted the provisions of GASB Statement No. 96, "*SBITAs*", for the year ended June 30, 2025. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The School District has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.
- The School District implemented the provisions of GASB Statement No. 101, "*Compensated Absences*", for the year ended June 30, 2025. In addition to the value of unused leave time owed to employees upon separation from employment, the School District now also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. More detailed information about the School District's compensated absences reporting in accordance with the provisions of GASB Statement No. 101 is presented in Note 2D and 3D in the notes to financial statements.
- GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosure for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the School District's fiscal year ended June 30, 2025. Management has determined that no events have occurred, have become to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements, which are comprised of three components: (1) district-wide financial statements, (2) fund financial statements and (3) notes to financial statements. This report also contains combining and individual fund financial statements and schedules in addition to the basic financial statements.

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

- The *statement of net position* presents information on all of the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
- The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave, OPEB and net pension liabilities).
- The *governmental* activities of the School District include instruction, pupil transportation, community services, cost of food sales, other, interest and general administrative support.

The district-wide financial statements can be found on the pages immediately following this section, as the first two pages of the basic financial statements.

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The School District maintains five individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Debt Service Fund, and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid and the Capital Projects funds, which are considered to be major funds. Data for the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.
- The *Fiduciary Funds* are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, the School District had no such activity to report in this fund category.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to financial statements can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the School District's other postemployment and pension benefit liabilities, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Union Free School District of the Tarrytowns, New York at the close of the current fiscal year, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$111,592,022.

Statement of Net Position

	June 30,	
	2025	2024
Current Assets	\$ 28,494,416	\$ 26,940,736
Net Pension asset- TRS	6,389,183	
Capital Assets, net	76,298,517	75,655,380
Total Assets	111,182,116	102,596,116
Deferred Outflows of Resources	40,422,909	44,896,689
Current Liabilities	8,978,232	8,903,577
Long-term Liabilities	190,057,142	190,544,908
Total Liabilities	199,035,374	199,448,485
Deferred Inflows of Resources	64,161,673	47,549,381
NET POSITION		
Net Investment in Capital Assets	30,512,615	25,938,218
Restricted		
Capital projects	206,965	266,560
Debt Service	127,392	145,411
Tax Certiorari	781,692	1,045,329
Workers' compensation benefits	567,527	541,335
Insurance	456,235	435,180
ERS Retirement contributions	1,038,698	659,027
TRS Retirement contributions	3,079,309	2,159,690
Capital Improvements	2,971,500	5,226,297
Unemployment benefits	95,169	90,778
Property loss and liability claims	600,000	461,669
Special Purposes	447,455	456,248
Unrestricted	(152,476,579)	(136,930,803)
Total Net Position	\$ (111,592,022)	\$ (99,505,061)

Current assets increased by \$1,553,680 from the prior year. Cash and equivalents and investments increased by \$1,654,402 from State aid and interest exceeding budgeted amounts. The net pension liability for the ERS increased by \$721,036 while the liability for the TRS decreased by \$2,412,306 and actually became a net pension asset of \$6,389,183 due to investment gains from the Plan's fiscal year ending June 30, 2025.

Long-term liabilities, which consist of general obligation bonds, unamortized premium on bonds, leases, compensated absences, net pension liabilities and OPEB liabilities, decreased by \$487,766 from the previous year. The OPEB liability decreased by \$12,662,316 primarily due to the increase in discount rate. The net pension liabilities due to ERS increased while the liability for the TRS decreased and actually became a net pension asset as previously mentioned. The School District also retired \$4,050,000 in previously issued bonded indebtedness.

A large component of the School District's net position, \$30,512,615, reflects its investment in capital assets, net of accumulated depreciation and less any related debt that is still outstanding that was used to acquire those assets. The School District uses these capital assets to provide services to students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions listed above constitute \$12,482,628 of net position and are comprised of amounts restricted for specific purposes, i.e., capital projects, debt service, payments of tax certiorari claims, workers' compensation benefits, insurance, retirement contributions (ERS and TRS), capital improvements, unemployment benefits, property loss and liability claims and special purposes. There is a negative balance of unrestricted net position of \$152,476,579 primarily a result of the recognition of the OPEB liabilities. Overall, net position decreased by \$12,086,961 (inclusive of the cumulative effect of change in accounting principle).

Changes in Net Position

	June 30,	
	2025	2024
REVENUES		
Program Revenues		
Charges for Services	\$ 2,523,567	\$ 2,033,069
Operating Grants and Contributions	7,293,241	7,826,939
Capital Grants and Contributions	5,115	-
	9,821,923	9,860,008
General Revenues		
Real Property Taxes	67,003,119	63,503,500
Other Tax Items	5,030,177	5,165,847
Non-Property Taxes	2,178,634	2,152,526
Unrestricted Use of Money and Property	867,639	986,759
Sale of Property and Compensation for Loss	32,971	59,706
Unrestricted State Aid	19,124,331	18,492,663
Miscellaneous	682,758	726,169
	94,919,629	91,087,170
Total Revenues	104,741,552	100,947,178
PROGRAM EXPENSES		
General Support	12,140,892	13,323,369
Instruction	78,652,423	81,534,485
Pupil Transportation	4,749,252	4,506,627
Culture and Recreation	1,990	-
Cost of Food Sales	1,627,430	1,595,514
Other	686,216	713,075
Interest	1,281,745	1,393,008
	99,139,948	103,066,078
Change in Net Position	5,601,604	(2,118,900)
NET POSITION		
Beginning, as reported	(99,505,061)	(97,386,161)
Cumulative Effect of Change in Accounting Principle	(17,688,565)	-
Beginning Net Position, as restated	(117,193,626)	(97,386,161)
Ending	\$ (111,592,022)	\$ (99,505,061)

The following are the major changes in Net Position:

Revenues:

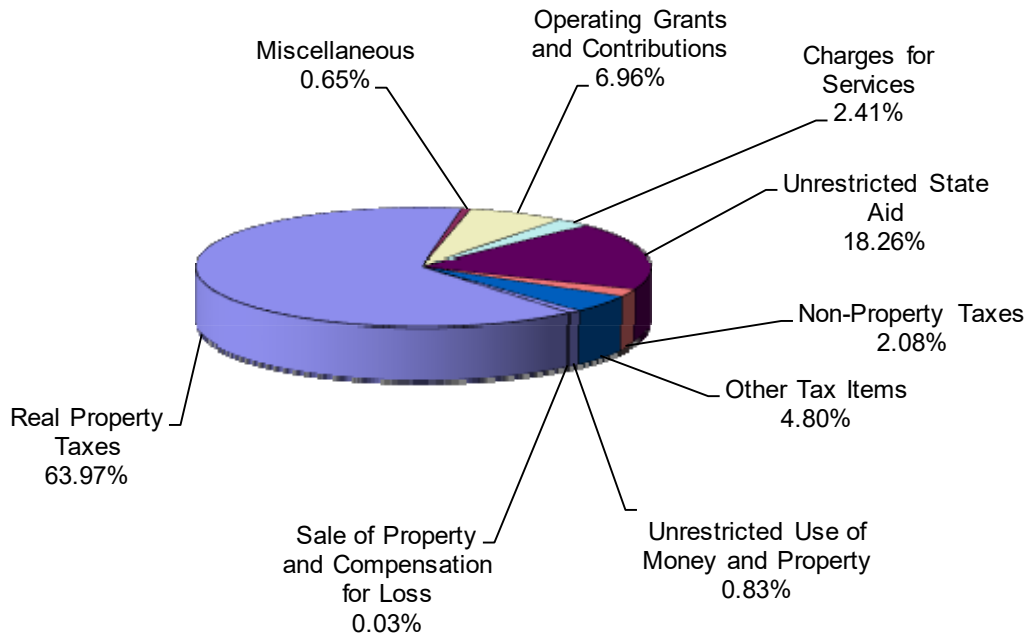
- Real property taxes increased by \$3,499,619 or 5.51%. The current property tax increase is attributed to projected increased expenses related to instruction, employee benefits and transportation. It is also a result of the continuing decrease in STAR (see below). The School District relies upon real property taxes as its primary source of revenue.
- Other tax items include revenues received for the School Tax Relief Reimbursement Program (“STAR”). The STAR Program provides tax relief to homeowners by decreasing the assessments taxable to the homeowner or by providing a refund of a portion of school taxes paid. As a result, in part, due to changes to the NYS law, this revenue decreased by \$223,812 during the 2024-2025 fiscal year and has decreased over the past eight years shifting this burden from the state to the taxpayers.
- The receipt of sales tax revenue included in non-property taxes increased by \$26,108 or 1.21% due to an increase in Westchester County’s sales tax rate and internet collections.
- Unrestricted use of money and property decreased by \$111,263. Interest allocated to restrictions was recorded as a program revenue.

Expenses:

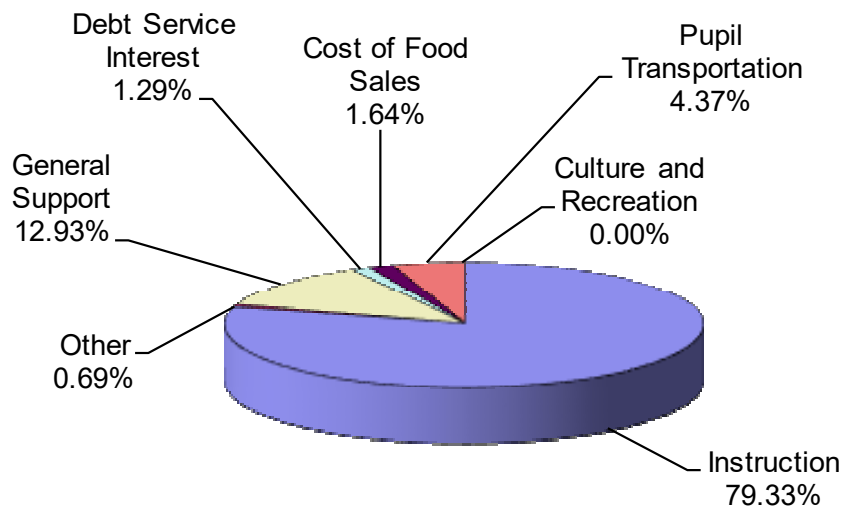
- Overall, General Support expenses decreased \$1,182,477 over the prior year. This was caused significantly by decreased costs for technology infrastructure management due to significant upgrades in the previous year.
- Instructional program expenses decreased by \$2,882,062 over the prior year. This is generally attributable to the fact that the Teachers’ Retirement System was a liability in the previous year and an asset in the current year.
- Pupil transportation expenditures increased by \$242,625, significantly due to labor increases and the mandatory increase to the employer contribution to the ERS.

The following graphs depict where the School District revenues were derived and how monies were spent. As one can see, the School District relies upon real property taxes for 64% of its revenue, while the School District’s largest expense, instructional costs, accounts for 79% of total expenses.

**Sources of Revenue for Fiscal Year 2025
Governmental Activities**



**Program Expenses for Fiscal Year 2025
Governmental Activities**



Financial Analysis of the School District's Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$20,067,346, an increase of \$1,435,927 from the prior year. This increase is a result, significantly, from additional proceeds from the School Lunch Fund, increases in earned tuition payments and interest earnings. The components of the governmental funds fund balance consists of the following:

GASB Statement No. 54 Classification	Previous Classifications	Fund Balance
Nonspendable Fund Balance	Reserved for Inventories	\$ 16,690
Restricted Fund Balance	Reserved for Debt Service	127,392
	Debt Service for Subsequent Year's Expenditures	25,000
	Reserve for Employee Benefit Accrued Liability (EBALR)	1,204,102
	Reserved for Tax Certiorari	781,692
	Reserved for ERS Retirement Contributions	1,038,698
	Reserved for TRS Retirement Contributions	3,079,309
	Capital Improvements	2,971,500
	Capital Projects	1,088,549
	Unemployment Benefits	95,169
	Insurance Reserve	456,235
	Workers' Compensation	567,527
	Property Loss and Liability Claims	600,000
	Reserved for Special Purposes	447,455
		<u>12,482,628</u>
Assigned Fund Balance	Reserved for Encumbrances - General Government Support	871,342
	Reserved for Encumbrances - Instruction	244,545
	Reserved for Encumbrances - Transportation	234,496
	For subsequent year's expenditures	1,500,000
	School Lunch Fund Unreserved Fund Balance	663,634
		<u>3,514,017</u>
Unassigned Fund Balance	Unreserved and Undesignated - General Fund	<u>4,054,011</u>
Total Fund Balance (as of 6/30/2025)		<u>\$ 20,067,346</u>

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$17,851,018. This represents an increase of \$436,004 from the prior year. The surplus was allocated to various restricted components of fund balance, where appropriate, and the balance is in the unassigned fund balance. The amount of the unassigned fund balance is \$4,054,011 or 4% of the ensuing year's budget. This is the maximum amount

allowed by NYS Real Property Tax Law 1318. More detailed information about the School District's governmental fund balances is presented in note 3G in the notes to financial statements.

General Fund Budgetary Highlights – 2024-2025

The original, voter approved adopted budget of \$97,621,842, was increased by \$1,220,423 as a result of the rollover of prior year encumbrances. The budget was further revised during the 2024-2025 fiscal year by a total of \$3,292,672 from the appropriation of fund balance from the Reserve for Tax Certiorari, the Capital Reserve, and the Liability Reserve. As a result, the final budget totaled \$102,134,937.

Revenue Highlights include:

- Increase in taxes due to increased tax levy
- Decrease in STAR reimbursement revenue due to changes in NYS Law
- Increase in sales tax revenue due to increase in Westchester County sales
- Over \$650K more in interest earnings than budgeted due to the sustained increase in interest rates by the Federal Reserve
- Over \$530K additional revenue for tuition students
- Significantly increased BOCES aid and BOCES refund of prior year's expenditures.

Expenditure Highlights include:

- The purchase of electric, diesel and gasoline student transportation vehicles totaling approximately \$171K.
- Approximately \$3M in capital payments towards the upgrade of the 2 middle school science classrooms, and continued soft costs related to the 2023 voter-approved bond referendum.
- Approximately \$3.4M in special education tuition and related services payments
- Issuing over \$5.4M in debt service payments
- Approximately \$21.6M in employee benefits
- Approximately \$916K in utility costs across the School District.
- Payments of tax certiorari claims in the amount of \$659,540.

The net increase in fund balance in the General Fund was \$436,004, resulting in an ending balance of \$17,851,018.

For the Future

It is clear that the School District is heavily dependent upon real property taxes as they represent approximately 71.5% of School District revenues (inclusive of STAR).

Effective in the 2012-2013 school year, legislation was passed by New York State capping tax levy increases to 2%. Under these circumstances, the challenge of presenting a fiscally responsible budget, while meeting the needs of children and mandates, will require effective and efficient management of School District operations in future years. It will be important that discussions about these issues and what choices or changes are possible in expenditures that will need to take place so the community is fully cognizant of whatever tradeoffs are made.

Capital Assets

As of June 30, 2025, the School District had \$76,298,517, net of accumulated depreciation invested in a broad range of capital assets, including land, buildings, land improvements, machinery and equipment, transportation equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

The change in capital assets during the current fiscal year results from the additional construction-in-progress and depreciation expense.

More detailed information about the School District's capital assets is presented in Note 3B in the notes to financial statements.

	June 30,	
	2025	2024
Land	\$ 2,283,629	\$ 2,283,629
Construction-in-progress	5,285,257	2,609,312
Buildings	64,403,328	66,366,363
Land Improvements	1,163,375	1,380,028
Machinery and Equipment	792,870	743,871
Transportation Equipment	2,100,180	2,181,640
Right-to-use leased equipment	269,878	90,537
 Total Capital Assets, net of accumulated depreciation	 \$ 76,298,517	 \$ 75,655,380

Long-Term Debt

The School District had general obligation and other long-term debt outstanding as follows:

	June 30,	
	2025	2024
General Obligation Bonds Payable	\$ 44,820,000	\$ 48,870,000
Unamortized Premium on Bonds	1,132,189	1,274,669
Leases Payable	279,106	81,513
Compensated Absences	18,664,169 *	803,462
Net Pension Liability (ERS and TRS)	4,217,491	5,908,761
Other Post Employment Benefit Obligations Payable	120,944,187	133,606,503
 Total	 \$ 190,057,142	 \$ 190,544,908

*The School District implemented GASB Statement No. 101.

There is very little change in long-term debt from 2024 to 2025. Additionally, the principal on general obligation bonds has been reduced by 4,050,000. The School District's other significant liability—its postemployment benefit liability-- was recorded in accordance with the provisions of GASB Statement No. 75. This liability will continue to grow, as at this time, the School District is permitted by New York State only to fund its pay-as-you-go obligations for health insurance.

More detailed information about the School District's long-term liabilities is presented in Note 3D in the notes to financial statements.

Requests for Information

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

Union Free School District of the Tarrytowns
Brian S. Fried
Assistant Superintendent for Business
200 North Broadway
Sleepy Hollow, NY 10591

Union Free School District of the Tarrytowns, New York

Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 3,403,336
Investments	21,050,546
Receivables	
Accounts	31,382
State and Federal aid	3,066,903
Due from other governments	925,559
Inventories	16,690
Net Pension asset - TRS	6,389,183
Capital assets	
Not being depreciated	7,568,886
Being depreciated/amortized, net	68,729,631
Total Assets	<u>111,182,116</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding bonds	445,393
Pension related	17,085,514
OPEB related	22,892,002
Total Deferred Outflows of Resources	<u>40,422,909</u>
LIABILITIES	
Current liabilities	
Accounts payable	2,133,092
Accrued liabilities	370,937
Unearned revenues	686,702
Due to other governments	403
Due to retirement systems	5,235,936
Accrued interest payable	551,162
Non-current liabilities	
Due within one year	10,023,142
Due in more than one year	180,034,000
Total Liabilities	<u>199,035,374</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	8,023,312
OPEB related	56,138,361
Total Deferred Inflows of Resources	<u>64,161,673</u>
NET POSITION	
Net investment in capital assets	30,512,615
Restricted	
Capital projects	206,965
Debt service	127,392
Tax certiorari	781,692
Workers' compensation benefits	567,527
Insurance	456,235
ERS retirement contributions	1,038,698
TRS retirement contributions	3,079,309
Capital improvements	2,971,500
Unemployment benefits	95,169
Property loss and liability claims	600,000
Special purposes	
Extraclassroom activities	87,280
Other	360,175
Unrestricted	<u>(152,476,579)</u>
Total Net Position	<u>\$ (111,592,022)</u>

The notes to financial statements are an integral part of this statement.

Union Free School District of the Tarrytowns, New York

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General support	\$ 12,140,892	\$ 194,176	\$ 401,695	\$ -
Instruction	78,652,423	2,282,665	4,446,692	5,115
Pupil transportation	4,749,252	-	-	-
Culture and recreation	1,990	-	-	-
Cost of food sales	1,627,430	46,726	1,767,431	-
Other	686,216	-	677,423	-
Interest	1,281,745	-	-	-
Total Governmental Activities	\$ 99,139,948	\$ 2,523,567	\$ 7,293,241	\$ 5,115
General revenues				
Real property taxes				67,003,119
Other tax items				
School tax relief reimbursement				2,837,656
Payments in lieu of taxes				2,192,521
Non-property taxes				
Non-property tax distribution from County				2,178,634
Unrestricted use of money and property				867,639
Sale of property and compensation for loss				32,971
Unrestricted State aid				19,124,331
Miscellaneous				682,758
Total General Revenues				94,919,629
Change in Net Position				5,601,604
Net Position - Beginning, as reported				(99,505,061)
Cumulative Effect of Change in Accounting Principle				(17,688,565)
Net Position - Beginning, as restated				(117,193,626)
Net Position - Ending				\$ (111,592,022)

The notes to financial statements are an integral part of this statement.

Union Free School District of the Tarrytowns, New York

Balance Sheet
 Governmental Funds
 June 30, 2025

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 730,953	\$ -	\$ 1,506,877
Investments	21,050,546	-	-
Receivables			
Accounts	31,382	-	-
State and Federal aid	2,039,625	884,533	5,116
Due from other governments	925,559	-	-
Due from other funds	788,663	67,306	418,707
Inventories	-	-	-
 Total Assets	 <u>\$ 25,566,728</u>	 <u>\$ 951,839</u>	 <u>\$ 1,930,700</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,415,340	\$ 100,554	\$ 490,908
Accrued liabilities	363,051	1,017	-
Unearned revenues	660,006	553	-
Due to other governments	-	-	-
Due to retirement systems	5,210,312	-	-
Due to other funds	67,001	849,715	351,243
 Total Liabilities	 <u>7,715,710</u>	 <u>951,839</u>	 <u>842,151</u>
Fund balances			
Nonspendable	-	-	-
Restricted	10,946,624	-	1,088,549
Assigned	2,850,383	-	-
Unassigned	4,054,011	-	-
 Total Fund Balances	 <u>17,851,018</u>	 <u>-</u>	 <u>1,088,549</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 25,566,728</u>	 <u>\$ 951,839</u>	 <u>\$ 1,930,700</u>

The notes to financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
\$ 1,165,506	\$ 3,403,336
-	21,050,546
-	31,382
137,629	3,066,903
-	925,559
-	1,274,676
16,690	16,690
\$ 1,319,825	\$ 29,769,092

\$ 126,290	\$ 2,133,092
6,869	370,937
26,143	686,702
403	403
25,624	5,235,936
6,717	1,274,676
192,046	9,701,746

16,690	16,690
447,455	12,482,628
663,634	3,514,017
-	4,054,011
1,127,779	20,067,346
\$ 1,319,825	\$ 29,769,092

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Union Free School District of the Tarrytowns, New York

Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2025

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Total Fund Balances - Governmental Funds	<u>\$ 20,067,346</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	7,568,886
Capital assets - depreciable/amortizable	117,884,890
Accumulated depreciation/amortization	<u>(49,155,259)</u>
	<u>76,298,517</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	17,085,514
Deferred outflows - OPEB related	22,892,002
Deferred inflows - pension related	(8,023,312)
Deferred inflows - OPEB related	<u>(56,138,361)</u>
	<u>(24,184,157)</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - TRS	<u>6,389,183</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(551,162)
General obligation bonds payable	(44,820,000)
Leases payable	(279,106)
Compensated absences	(18,664,169)
Net pension liability - ERS	(4,217,491)
Total OPEB liability	<u>(120,944,187)</u>
	<u>(189,476,115)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding bonds	445,393
Premium on general obligation bonds	<u>(1,132,189)</u>
	<u>(686,796)</u>
Net Position of Governmental Activities	<u><u>\$ (111,592,022)</u></u>

The notes to financial statements are an integral part of this statement.

Union Free School District of the Tarrytowns, New York

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2025

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 67,003,119	\$ -	\$ -
Other tax items	5,030,177	-	-
Non-property taxes	2,178,634	-	-
Charges for services	2,282,665	-	-
Use of money and property	1,463,510	-	-
Sale of property and compensation for loss	32,971	-	-
State aid	19,400,556	1,631,533	5,115
Federal aid	-	2,538,934	-
Food sales	-	-	-
Miscellaneous	682,758	-	-
Total Revenues	98,074,390	4,170,467	5,115
EXPENDITURES			
Current			
General support	9,640,228	68,515	-
Instruction	53,883,932	3,534,598	-
Pupil transportation	3,328,334	107,180	-
Employee benefits	21,584,965	121,454	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	4,191,557	-	-
Interest	1,403,696	-	-
Capital outlay	-	-	3,466,670
Total Expenditures	94,032,712	3,831,747	3,466,670
Excess (Deficiency) of Revenues Over Expenditures	4,041,678	338,720	(3,461,555)
OTHER FINANCING SOURCES (USES)			
Leases issued	-	-	339,150
Transfers in	48,425	215,720	3,992,819
Transfers out	(3,654,099)	(554,440)	(48,425)
Total Other Financing Sources (Uses)	(3,605,674)	(338,720)	4,283,544
Net Change in Fund Balances	436,004	-	821,989
FUND BALANCES			
Beginning of Year	17,415,014	-	266,560
End of Year	<u>\$ 17,851,018</u>	<u>\$ -</u>	<u>\$ 1,088,549</u>

The notes to financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 67,003,119
-	5,030,177
-	2,178,634
-	2,282,665
-	1,463,510
-	32,971
470,740	21,507,944
1,296,691	3,835,625
46,726	46,726
677,423	1,360,181
2,491,580	104,741,552
-	9,708,743
-	57,418,530
-	3,435,514
-	21,706,419
1,627,430	1,627,430
686,216	686,216
-	4,191,557
-	1,403,696
-	3,466,670
2,313,646	103,644,775
177,934	1,096,777
-	339,150
-	4,256,964
-	(4,256,964)
-	339,150
177,934	1,435,927
949,845	18,631,419
\$ 1,127,779	\$ 20,067,346

Union Free School District of the Tarrytowns, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2025

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,435,927</u>
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.</p>	
Capital outlay expenditures	4,032,198
Depreciation/amortization expense	<u>(3,389,061)</u>
	<u>643,137</u>
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized on the statement of activities.</p>	
Principal paid on general obligation bonds	4,050,000
Leases issued	(339,150)
Principal paid on leases	<u>141,557</u>
	<u>3,852,407</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	(172,142)
Changes in pension liabilities and related deferred outflows and inflows of resources	1,023,656
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(1,303,332)
Accrued interest	43,098
Amortization of premium and loss on refunding bonds	<u>78,853</u>
	<u>(329,867)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 5,601,604</u></u>

The notes to financial statements are an integral part of this statement.

Union Free School District of the Tarrytowns, New York

Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 67,003,119	\$ 67,003,119	\$ 67,003,119	\$ -
Other tax items	5,037,656	5,037,656	5,030,177	(7,479)
Non-property taxes	2,070,000	2,070,000	2,178,634	108,634
Charges for services	1,826,000	1,826,000	2,282,665	456,665
Use of money and property	696,000	696,000	1,463,510	767,510
Sale of property and com- pensation for loss	-	-	32,971	32,971
State aid	18,971,067	18,971,067	19,400,556	429,489
Miscellaneous	493,000	493,000	682,758	189,758
Total Revenues	96,096,842	96,096,842	98,074,390	1,977,548
EXPENDITURES				
Current				
General support	9,393,752	11,071,511	9,640,228	1,431,283
Instruction	55,809,604	55,808,316	53,883,932	1,924,384
Pupil transportation	3,649,538	3,894,582	3,328,334	566,248
Employee benefits	23,402,001	22,110,370	21,584,965	525,405
Debt service				
Principal	4,050,000	4,191,557	4,191,557	-
Interest	1,387,370	1,403,696	1,403,696	-
Total Expenditures	97,692,265	98,480,032	94,032,712	4,447,320
Excess (Deficiency) of Revenues Over Expenditures	(1,595,423)	(2,383,190)	4,041,678	6,424,868
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	48,425	48,425
Transfers out	(1,150,000)	(3,654,905)	(3,654,099)	806
Total Other Financing Uses	(1,150,000)	(3,654,905)	(3,605,674)	49,231
Net Change in Fund Balance	(2,745,423)	(6,038,095)	436,004	6,474,099
FUND BALANCE				
Beginning of Year	2,745,423	6,038,095	17,415,014	11,376,919
End of Year	\$ -	\$ -	\$ 17,851,018	\$ 17,851,018

The notes to financial statements are an integral part of this statement.

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Union Free School District of the Tarrytowns, New York

Notes to Financial Statements
June 30, 2025

Note 1 - Summary of Significant Accounting Policies

The Union Free School District of the Tarrytowns, New York ("School District"), as presently constituted, was established in 1870 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District's significant accounting policies are described below:

A. Financial Reporting Entity

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

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

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

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

While separate district-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds and fiduciary funds even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the School District's major governmental funds.

General Fund - The General Fund constitutes the primary fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal or State funds. The major revenues of this fund are Federal and State aid.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The School District also reports the following non-major governmental funds.

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activity funds.

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*", the School District had no such activity to report in this fund category.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The 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 (current assets less current liabilities) or economic resources (all assets and liabilities). 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to other pension liability,

Note 1 - Summary of Significant Accounting Policies (Continued)

compensated absences, net pension liability and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The School District participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30th.

The School District's position in the pool is equal to the value of the pool shares. At June 30, 2025, the School District reported \$51,051 in CLASS. The maximum maturity for any specific investment in the portfolio is 397 days.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17th Street, Suite 1850, Denver, CO 80202.

The School District also participates in the New York Liquid Assets Fund ("NYLAF"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. NYLAF has designated PMA Asset Management, LLC as its registered investment advisor.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The School District's position in the pool is equal to the value of the pool shares. At June 30, 2025, the School District reported \$20,999,495 in NYLAF.

Additional information concerning the NYLAF is presented in the annual report, which may be obtained from the Governing Board c/o PMA Financial Network, LLC, 300 Westage Business Center Drive, Fishkill, NY 12524.

CLASS and NYLAF are rated AAAM by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. CLASS and NYLAF invest in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2025.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of September 1st and are levied and payable in September and January. The Towns of Mount Pleasant and Greenburgh, New York ("Towns") are responsible for the billing and collection of the taxes. The Towns guarantee the full payment of the School District warrant and assume responsibility for uncollected taxes.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2025, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of surplus food which is recorded at a stated value, which approximates market. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consist of certain costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets are tangible and intangible assets, which include property, plant and equipment, and are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

of more than \$5,000 for equipment and \$10,000 for building and land improvements and an estimated useful life in excess of one year. Such assets (except intangible right-to-use leased assets, which is discussed in Note 3B) are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

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

Land and construction-in-progress are not depreciated. The other tangible and intangible property, plant and equipment and right-to-use leased assets of the School District are depreciated/amortized using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings	10-50
Land Improvements	10-20
Machinery and Equipment	5-20
Transportation Equipment	10
Right-to-use Leased Assets	1-5

The costs associated with the acquisition or construction of tangible and intangible capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the district-wide financial statements, unearned revenues consist of amounts received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenue of \$660,006 for payments in lieu of taxes received in advance in the General Fund. The School District has also reported unearned revenues of \$553 and \$26,143 for State and Federal aid received in advance in the Special Aid Fund and the School Lunch Fund respectively. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net

Note 1 - Summary of Significant Accounting Policies (Continued)

assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The School District reported deferred amounts on refunding bonds results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The School District also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3D.

Long-Term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Leases - The School District is a lessee for noncancellable leases of equipment. The School District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the district-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise. The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Note 1 - Summary of Significant Accounting Policies (Continued)

Right-to-use leased assets are reported with other capital assets and right-to-use lease liabilities are reported with long-term liabilities on the Statement of Net Position.

Compensated Absences - The liability for compensated absences represents the sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the School District's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary related payments are directly and incrementally associated with payments for the leave. The School District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the district-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, "*Compensated Absences*".

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*".

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

Net Position - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the School District includes restricted

Note 1 - Summary of Significant Accounting Policies (Continued)

for capital projects, debt service, tax certiorari, workers compensation benefits, insurance, ERS and TRS retirement contribution, capital improvements, unemployment, property loss and liability claims and special purposes.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund). Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law or the Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Education is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or by delegated authority to the Assistant Superintendent for Business Administration for amounts assigned as encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 7, 2025.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at

Note 2 - Stewardship, Compliance and Accountability (Continued)

that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.

- f) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- g) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch or Special Purpose funds since other means control the use of these resources (e.g. grants awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount to 4% of the ensuing year's budget. The School District was within the statutory limit.

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

D. Cumulative Effect of Change in Accounting Principle

The School District implemented the provisions of GASB Statement No. 101, "*Compensated Absences*", for the year ended June 30, 2025. In addition to the value of unused leave time owed to employees upon separation from employment, the School District now also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result, the School District has reported a cumulative effect of change in accounting principle to the July 1, 2024 net position of governmental activities of \$(17,688,565).

E. New Accounting Pronouncement

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosure for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the School District's fiscal year ended June 30, 2025. Management has determined that no events have occurred, have become to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of interfund balances at June 30, 2025 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 788,663	\$ 67,001
Special Aid	67,306	849,715
Capital Projects	418,707	351,243
Non-Major Governmental	-	6,717
	<u>\$ 1,274,676</u>	<u>\$ 1,274,676</u>

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

B. Capital Assets

Changes in the School District's capital assets are as follows:

Class	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets, not being depreciated:				
Land	\$ 2,283,629	\$ -	\$ -	\$ 2,283,629
Construction-in-progress	2,609,312	3,127,520	451,575	5,285,257
Total Capital Assets, not being depreciated	<u>\$ 4,892,941</u>	<u>\$ 3,127,520</u>	<u>\$ 451,575</u>	<u>\$ 7,568,886</u>
Capital Assets, being depreciated/amortized:				
Buildings	\$ 104,701,204	\$ 451,575	\$ -	\$ 105,152,779
Land Improvements	4,248,473	-	-	4,248,473
Machinery and Equipment	2,893,276	261,348	416,846	2,737,778
Transportation Equipment	5,102,530	304,180	-	5,406,710
Right-to-use leased equipment	574,111	339,150	574,111	339,150
Total Capital Assets, being depreciated/amortized	<u>117,519,594</u>	<u>1,356,253</u>	<u>990,957</u>	<u>117,884,890</u>
Less Accumulated Depreciation/Amortization for:				
Buildings	38,334,841	2,414,610	-	40,749,451
Land Improvements	2,868,445	216,653	-	3,085,098
Machinery and Equipment	2,149,405	212,349	416,846	1,944,908
Transportation Equipment	2,920,890	385,640	-	3,306,530
Right-to-use leased equipment	483,574	159,809	574,111	69,272
Total Accumulated Depreciation/Amortization	<u>46,757,155</u>	<u>3,389,061</u>	<u>990,957</u>	<u>49,155,259</u>
Total Capital Assets, being depreciated/amortized, net	<u>\$ 70,762,439</u>	<u>\$ (2,032,808)</u>	<u>\$ -</u>	<u>\$ 68,729,631</u>
Capital Assets, net	<u>\$ 75,655,380</u>	<u>\$ 1,094,712</u>	<u>\$ 451,575</u>	<u>\$ 76,298,517</u>

Depreciation/Amortization expense was charged to School District functions and programs as follows:

General Support	\$ 579,287
Instruction	2,378,870
Transportation	430,904
Total Depreciation/Amortization Expense	<u>\$ 3,389,061</u>

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

C. Accrued Liabilities

Accrued liabilities in the General Fund at June 30, 2025 were as follows:

	General Fund	Special Aid Fund	Non-Major Governmental Funds	Total
Payroll and employee benefits	\$ 363,051	\$ 1,017	\$ 6,869	\$ 370,937

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2025:

	Balance as Reported July 1, 2024	Cumulative Effect of Change in Accounting Principle*	Balance as Restated July 1, 2024	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2025	Due Within One-Year
General Obligation Bonds Payable	\$ 48,870,000	\$ -	\$ 48,870,000	\$ -	\$ 4,050,000	\$ 44,820,000	\$ 4,150,000
Plus - Unamortized premium on bonds	1,274,669	-	1,274,669	-	142,480	1,132,189	-
	<u>50,144,669</u>	-	<u>50,144,669</u>	-	<u>4,192,480</u>	<u>45,952,189</u>	<u>4,150,000</u>
Leases payable	81,513	-	81,513	339,150	141,557	279,106	66,931
Other Non-current Liabilities:							
Compensated Absences	803,462	17,688,565	18,492,027	172,142 **	-	18,664,169	1,866,000
Net Pension Liability - ERS	3,496,455	-	3,496,455	721,036	-	4,217,491	-
Net Pension Liability - TRS	2,412,306	-	2,412,306	-	2,412,306	-	-
Other Postemployment Benefit Liability	133,606,503	-	133,606,503	16,218,216	28,880,532	120,944,187	3,940,211
Total Other Non-Current Liabilities	<u>140,318,726</u>	<u>17,688,565</u>	<u>158,007,291</u>	<u>17,111,394</u>	<u>31,292,838</u>	<u>143,825,847</u>	<u>5,806,211</u>
Total Long-Term Liabilities	<u>\$ 190,544,908</u>	<u>\$ 17,688,565</u>	<u>\$ 208,233,473</u>	<u>\$ 17,450,544</u>	<u>\$ 35,626,875</u>	<u>\$ 190,057,142</u>	<u>\$ 10,023,142</u>

*See Note 2D.

**The change in the compensated absences liability is presented as a net change.

Each governmental fund's liability for general obligation bonds, leases, compensated absences, net pension liability and other postemployment benefit liability is liquidated by the General Fund.

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2025 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2025
Capital Improvements	2014	\$ 17,970,000	August, 2036	2.750 - 3.250 %	\$ 11,515,000
Capital Improvements	2015	18,270,000	February, 2036	2.000 - 3.000	10,900,000
Refunding Bonds	2015	2,400,000	January, 2033	2.250 - 5.000	1,300,000
Refunding Bonds	2015	23,350,000	January, 2033	2.000 - 3.000	12,610,000
Capital Improvements	2017	8,530,000	February, 2032	2.250 - 3.000	4,200,000
Capital Improvements	2021	5,365,000	August, 2035	1.100 - 5.000	4,295,000
					<u>\$ 44,820,000</u>

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$1,387,370 were recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

Leases Payable

Leases payable at June 30, 2025 are comprised of the following individual agreements:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at June 30, 2025</u>
Building	2025	\$ 280,074	August, 2028	5.200 %	\$ 47,951
Building	2025	59,076	May, 2029	5.200	<u>231,155</u>
					<u>\$ 279,106</u>

Interest expenditures of \$16,326 were recorded in the fund financial statements in the General Fund. Interest expense of \$16,326 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and leases as of June 30, 2025, including interest payments of \$7,260,060 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		<u>Leases</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 4,150,000	\$ 1,283,840	\$ 66,931	\$ 12,936	\$ 4,216,931	\$ 1,296,776
2027	4,255,000	1,176,914	71,963	9,337	4,326,963	1,186,251
2028	4,375,000	1,051,114	77,284	5,469	4,452,284	1,056,583
2029	4,495,000	914,914	62,928	1,593	4,557,928	916,507
2030	4,615,000	778,639	-	-	4,615,000	778,639
2031-2035	19,115,000	1,914,706	-	-	19,115,000	1,914,706
2036-2037	3,815,000	110,598	-	-	3,815,000	110,598
	<u>\$ 44,820,000</u>	<u>\$ 7,230,725</u>	<u>\$ 279,106</u>	<u>\$ 29,335</u>	<u>\$ 45,099,106</u>	<u>\$ 7,260,060</u>

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

Legal Debt Margin

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property.

Note 3 - Detailed Notes on All Funds (Continued)

Compensated Absences

The School District is not required to compensate employees for accumulated sick leave upon separation from service. Vacation leave for school administrators and non-teaching full-time employees is generally taken in the year subsequent to the year in which it is earned. In addition, school administrators can accumulate and carry forward to the next fiscal year up to five vacation days. Non-teaching full-time employees may carry forward one day to the next fiscal year, if prior approval is obtained. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plans

New York State and Local Retirement System and Teachers' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, 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 School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, 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 TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the ERS plan year ended March 31, 2025 and TRS plan year ended June 30, 2025 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	17.7 %
	5 A15	15.3
	6 A15	11.3
TRS	1-6	10.11 %

At June 30, 2025, the School District reported the following for its proportionate share of the net pension liability (asset) for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Net pension liability (asset)	\$ 4,217,491	\$ (6,389,183)
School Districts' proportion of the net pension liability (asset)	0.0245979 %	0.214143 %
Change in proportion since the prior measurement date	0.0008513 %	0.003201 %

The net pension liability (asset) was measured as of March 31, 2025 for ERS and June 30, 2024 for TRS and the total pension liability used to calculate the net pension liability (asset) were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2025, the School District recognized pension expense in the district-wide financial statements of \$4,398,281 (\$934,667 for ERS and \$3,463,614, for TRS). Pension expenditures for ERS of \$1,166,354, \$17,774 and \$9,584 were recorded in the fund financial statements and were charged to the General, Special Aid and School Lunch funds, respectively. Pension expenditures for TRS of \$4,184,351 and \$43,874 were recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively .

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2025, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,046,810	\$ 49,379	\$ 6,879,977	\$ -
Changes of assumptions	176,873	-	3,822,026	642,901
Net difference between projected and actual earnings on pension plan investments	330,893	-	-	7,098,927
Changes in proportion and differences between School District contributions and proportionate share of contributions	151,744	34,904	124,683	197,201
School District contributions subsequent to the measurement date	331,208	-	4,221,300	-
	<u>\$ 2,037,528</u>	<u>\$ 84,283</u>	<u>\$ 15,047,986</u>	<u>\$ 7,939,029</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 7,926,787	\$ 49,379		
Changes of assumptions	3,998,899	642,901		
Net difference between projected and actual earnings on pension plan investments	330,893	7,098,927		
Changes in proportion and differences between School District contributions and proportionate share of contributions	276,427	232,105		
School District contributions subsequent to the measurement date	4,552,508	-		
	<u>\$ 17,085,514</u>	<u>\$ 8,023,312</u>		

\$331,208 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2026. The \$4,221,300 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31,	June 30,
	ERS	TRS
2025	\$ -	\$ (3,317,986)
2026	768,315	7,810,647
2027	1,108,284	(1,276,388)
2028	(322,018)	(1,442,075)
2029	67,456	806,069
Thereafter	-	307,390
	<u>\$ 1,622,037</u>	<u>\$ 2,887,657</u>

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Investment rate of return	5.9% *	6.95% *
Salary scale	4.3%	1.95%-5.18%
Inflation rate	2.9%	2.4%
Cost of living adjustments	1.5%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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

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

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Type	ERS March 31, 2025		TRS June 30, 2024	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25 %	3.54 %	33 %	6.6 %
International Equity	14	6.57	15	7.4
Private Equity	15	7.25	9	10.0
Real Estate	12	4.95	11	6.3
Domestic Fixed Income Securities	-	-	16	2.6
Global Fixed Income Securities	-	-	2	2.5
High Yield Fixed Income Securities	-	-	1	4.8
Global Equities	-	-	4	6.9
Private Debt	-	-	2	5.9
Real Estate Debt	-	-	6	3.9
Opportunistic/Absolute Return Strate	3	5.25	-	-
Credit	4	5.40	-	-
Real Assets	4	5.55	-	-
Fixed Income	22	2.00	-	-
Cash	1	0.25	1	0.5
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

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 determined. Based upon those 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.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 12,205,951</u>	<u>\$ 4,217,491</u>	<u>\$ (2,452,878)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 29,512,005</u>	<u>\$ (6,389,183)</u>	<u>\$ (36,583,045)</u>

The components of the collective net pension liability as of the March 31, 2025 ERS measurement date and the June 30, 2024 TRS measurement date were as follows:

	<u>ERS</u>	<u>TRS</u>
Total pension liability	\$ 247,600,239,000	\$ 142,837,826,465
Fiduciary net position	<u>230,454,512,000</u>	<u>145,821,434,780</u>
Employers' net pension liability (asset)	<u>\$ 17,145,727,000</u>	<u>\$ (2,983,608,315)</u>
Fiduciary net position as a percentage of total pension liability	<u>93.08%</u>	<u>102.09%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2025 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2025 were \$331,208 to ERS and \$4,904,728 to TRS (including employee contributions of \$683,428).

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Other Postemployment Benefit Liability (“OPEB”)

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing postemployment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District’s employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*”, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	375
Active employees	<u>401</u>
	<u><u>776</u></u>

The School District’s total OPEB liability of \$120,944,187 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.4%, average, including inflation
Discount rate	5.2%
Healthcare cost trend rates	6.6% for 2025, decreasing 0.1 – 0.7% per year to an ultimate rate of 3.8% for 2073 and later years
Retirees' share of benefit-related costs	Varies from 12% to 50%, depending on applicable retirement year and bargaining unit

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

Mortality rates were based on the PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching Positions, both generationally projected for future improvements per the MP-2021 Ultimate Scale.

The School District’s change in the total OPEB liability for the year ended June 30, 2025 is as follows:

Total OPEB Liability - Beginning of Year	\$ 133,606,503
Service cost	5,669,289
Interest	5,396,860
Changes of benefit terms	-
Differences between expected and actual experience	5,152,067
Changes in assumptions or other inputs	(24,940,321)
Benefit payments	<u>(3,940,211)</u>
Total OPEB Liability - End of Year	<u><u>\$ 120,944,187</u></u>

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.2%) or 1 percentage point higher (6.2%) than the current discount rate:

	1% Decrease (4.2%)	Current Discount Rate (5.2%)	1% Increase (6.2%)
Total OPEB Liability	\$ 140,372,030	\$ 120,944,187	\$ 105,196,669

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.6% decreasing to 2.8%) or 1 percentage point higher (7.6% decreasing to 4.8%) than the current healthcare cost trend rates:

	1% Decrease (5.6% decreasing to 2.8%)	Current Healthcare Cost Trend Rates (6.6% decreasing to 3.8%)	1% Increase (7.6% decreasing to 4.8%)
Total OPEB Liability	\$ 102,353,699	\$ 120,944,187	\$ 144,714,294

For the year ended June 30, 2025, the School District recognized OPEB expense of \$5,243,543 in the district-wide financial statements. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 17,325,364	\$ 48,259,424
Differences between expected and actual experience	5,566,638	7,878,937
	<u>\$ 22,892,002</u>	<u>\$ 56,138,361</u>

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

<u>Year Ended June 30,</u>	
2026	\$ (5,822,606)
2027	(5,041,207)
2028	(6,532,218)
2029	(7,043,985)
2030	(3,425,926)
Thereafter	<u>(5,380,417)</u>
	<u>\$ (33,246,359)</u>

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

E. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reported as transfers.

<u>Transfers Out</u>	<u>Transfers in</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	
General Fund	\$ -	\$ 215,720	\$ 3,992,819	\$ 4,208,539
Capital Projects	48,425	-	-	48,425
General Fund	<u>\$ 48,425</u>	<u>\$ 215,720</u>	<u>\$ 3,992,819</u>	<u>\$ 4,256,964</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Special Aid and Capital Projects funds expenditures and 2) move amounts for closed capital projects to General Fund for repayment of unused funds originally transferred from General Fund.

F. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation/amortization and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6-p of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Restricted for Tax Certiorari - the component of net position that has been established in accordance with the Education Law of the State of New York to provide funding for court ordered tax refunds which are currently in process.

Restricted for Workers' Compensation Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-j of the General Municipal Law of the State of New York.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Insurance - the component of net position that has been established to set aside funds to repair assets funded by insurance recoveries pursuant to Educational Law.

Restricted for ERS Retirement Contributions - the component of net position that reports the amounts set aside to be used for ERS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for TRS Retirement Contributions - the component of net position that reports the amounts set aside to be used for TRS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for Capital Improvements - the component of net position that has been established to set aside funds to be used for future capital projects.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of the General Municipal Law of the State of New York.

Restricted for Property loss and liability claims - the component of net position that has been established to set aside funds to cover property loss and liability claims incurred.

Restricted for Special Purposes - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes with constraints placed on their use by either external parties and/or statute.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable - Inventories	\$ -	\$ -	\$ 16,690	\$ 16,690
Restricted:				
Debt service	127,392	-	-	127,392
Debt service - for subsequent year's expenditures	25,000	-	-	25,000
Employee benefit accrued liability	1,204,102	-	-	1,204,102
Tax certiorari	781,692	-	-	781,692
ERS retirement contributions	1,038,698	-	-	1,038,698
TRS retirement contributions	3,079,309	-	-	3,079,309
Capital improvements	2,971,500	-	-	2,971,500
Capital projects	-	1,088,549	-	1,088,549
Unemployment benefits	95,169	-	-	95,169
Insurance	456,235	-	-	456,235
Workers' compensation	567,527	-	-	567,527
Property loss and liability claims	600,000	-	-	600,000
Special purposes - extraclassroom activities	-	-	87,280	87,280
Special purposes - other	-	-	360,175	360,175
	<u>10,946,624</u>	<u>1,088,549</u>	<u>447,455</u>	<u>12,482,628</u>
Assigned:				
Purchases on order:				
General government support	871,342	-	-	871,342
Instruction	244,545	-	-	244,545
Transportation	234,496	-	-	234,496
Employee benefits	-	-	-	-
	<u>1,350,383</u>	<u>-</u>	<u>-</u>	<u>1,350,383</u>
For subsequent year's expenditures	1,500,000	-	-	1,500,000
School Lunch Fund	-	-	663,634	663,634
	<u>2,850,383</u>	<u>-</u>	<u>663,634</u>	<u>3,514,017</u>
Unassigned	<u>4,054,011</u>	<u>-</u>	<u>-</u>	<u>4,054,011</u>
Total Fund Balances	<u>\$ 17,851,018</u>	<u>\$ 1,088,549</u>	<u>\$ 1,127,779</u>	<u>\$ 20,067,346</u>

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Purchases on order are assigned and represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Subsequent year's expenditures represent that at June 30, 2025, the Board of Education has utilized the above amounts to be appropriated for the ensuing year's budget.

Assigned for School Lunch Fund represents the component of fund balance that reports the difference between assets, exclusive of inventory, and liabilities of the School Lunch Fund.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

B. Contingencies

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

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

C. Risk Management

The School District and neighboring school districts in Southern Westchester County, participate in the Southern Westchester Schools Cooperative Self-Insurance Plan for Workers' Compensation. The purpose of the Plan is to provide efficient and economical evaluation, processing, administration, defense and payment of claims against plan members for workers' compensation and to provide for risk management to reduce future liability for workers' compensation and employers' liability payments. The Plan is managed and governed by a Board of Trustees comprised of a representative from each district. Billings are based upon participants' experience rating. The School District has transferred all related risk to the Plan.

The School District and neighboring school districts in Southern Westchester County participate in the State-Wide Schools Cooperative Health Plan. This Plan operates under an agreement, as amended, dated December 12, 1985. The purposes of the Plan are to effect cost savings in members' expenses for health coverage; to provide for centralized administration, funding and disbursements for health coverage; and to provide for such risk management services as may be appropriate to reduce future expense and liability for health coverage. The governance of the Plan shall be in all respects in the hands of the Board of Trustees. The Board of Trustees shall consist of seven trustees elected by the general membership of the Plan. No action may be taken by the Board of Trustees except by a vote of a majority of the total number of trustees. Billings to

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

participants are based upon coverage provided to each participants' employees. The School District has transferred all related risk to the Plan.

Note 5 - Tax Abatements

The Town of Mount Pleasant, New York and the Town of Greenburgh, New York enter into various property tax abatement programs for the purpose of economic development with housing development and redevelopment companies organized pursuant to Article XI of the New York Private Housing Finance Law (PHFL) and Section 402 of the New York Not-for-Profit Corporation Law, in which the HDFC holds a fee interest in the property for the benefit of the LLC limited

These agreements are for several years in duration or until the property no longer provides affordable housing or no longer complies with the requirements of the NY PHFL. The PILOT payments received include a yearly increase of 3% annually.

Copies of the agreements may be obtained from the respective Town's Clerks Office.

Information relevant to disclosure of these agreements for the fiscal year ended June 30, 2025 is as follows:

<u>Start Date</u>	<u>Agreement</u>	<u>Tax Yr</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Total Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
8/1/2008	Sleepy Hollow Senior Housing	2024/25	\$ 70,000	\$ 1,710.82	\$ 119,757	\$ 19,509	\$ 100,248
11/1/1971	Morgata/No. Tarrytown Housing	2024/25	257,250	1,710.82	440,108	15,655	424,453
12/1/2001	Westchester Management Group	2024/25	22,100	1,710.82	37,809	2,313	35,496
4/28/1950	North Tarrytown Municipal Housing Authority	2024/25	257,250	1,710.82	440,108	53,224	386,884
Total						<u>\$ 90,701</u>	<u>\$ 947,082</u>

In addition, the School District received PILOT payments from Regeneron Pharmaceuticals, Inc. and Kendal on Hudson in the amount of \$1,498,696 and \$603,124, respectively, for which no taxes were abated.

Note 6 - Recently Issued GASB Pronouncements

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 104, "*Disclosure of Certain Capital Assets*", requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Governments must separately present lease assets, right-to-use assets from public-private or public-public partnerships, subscription assets and all other intangible assets by major class. For capital assets held for sale—assets a government has decided to sell with completion of the sale probable within one year of the financial statement date—governments must disclose the historical cost, accumulated depreciation (or amortization), and the carrying amount of any pledged debt related to those assets. This Statement affects only presentation and disclosure, not recognition or measurement requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2025

Note 6 - Recently Issued GASB Pronouncements (Continued)

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Union Free School District of the Tarrytowns, New York

Required Supplementary Information - Schedule of Changes in the
 School District's Total OPEB Liability and Related Ratios
 Last Ten Fiscal Years (1)(2)

	2025	2024	2023
Total OPEB Liability:			
Service cost	\$ 5,669,289	\$ 5,727,699	\$ 5,227,365
Interest	5,396,860	4,984,842	4,610,812
Changes of benefit terms	-	-	-
Differences between expected and actual experience	5,152,067	-	-
Changes of assumptions or other inputs	(24,940,321) (4)	(6,339,622)	(867,602)
Benefit payments	(3,940,211)	(3,190,866)	(3,108,302)
Net Change in Total OPEB Liability	(12,662,316)	1,182,053	5,862,273
Total OPEB Liability – Beginning of Year	133,606,503	132,424,450	126,562,177
Total OPEB Liability – End of Year	<u>\$ 120,944,187</u>	<u>\$ 133,606,503</u>	<u>\$ 132,424,450</u>
School District's covered-employee payroll	<u>\$ 42,008,686</u>	<u>\$ 39,544,233</u>	<u>\$ 39,544,233</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>287.90%</u>	<u>337.87%</u>	<u>334.88%</u>
Discount Rate	<u>5.20%</u>	<u>3.93%</u>	<u>3.65%</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

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

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) Increase in discount rate decreased accrued liability by 6% offset by the updated medical trend assumption to better reflect anticipated future experience.

See independent auditors' report.

2022	2021	2020	2019	2018
\$ 7,431,351	\$ 5,967,731	\$ 4,465,532	\$ 5,466,374	\$ 4,905,970
3,451,321	3,144,188	3,947,825	3,765,690	3,589,755
-	(994,591)	-	118,133	-
-	(13,364,678)	-	5,998,626	(265,288)
(35,085,537)	24,367,512	22,600,618	(24,053,957)	-
(3,157,128)	(2,986,092)	(3,084,122)	(2,964,573)	(2,888,640)
(27,359,993)	16,134,070	27,929,853	(11,669,707)	5,341,797
153,922,170	137,788,100	109,858,247	121,527,954	116,186,157 (3)
<u>\$ 126,562,177</u>	<u>\$ 153,922,170</u>	<u>\$ 137,788,100</u>	<u>\$ 109,858,247</u>	<u>\$ 121,527,954</u>
<u>\$ 38,316,962</u>	<u>\$ 38,316,962</u>	<u>\$ 36,560,028</u>	<u>\$ 36,560,028</u>	<u>\$ 41,264,899</u>
<u>330.30%</u>	<u>401.71%</u>	<u>376.88%</u>	<u>300.49%</u>	<u>294.51%</u>
<u>3.54%</u>	<u>2.16%</u>	<u>2.21%</u>	<u>3.50%</u>	<u>3.00%</u>

Union Free School District of the Tarrytowns, New York

Required Supplementary Information
New York State Teachers' Retirement System
Last Ten Fiscal Years

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (1)

	2025 (3)	2024 (3)	2023 (2)	2022
School District's proportion of the net pension liability (asset)	0.214143%	0.210942%	0.211106%	0.214601%
School District's proportionate share of the net pension liability (asset)	\$ (6,389,183)	\$ 2,412,306	\$ 4,050,901	\$ (37,188,243)
School District's covered payroll	\$ 41,376,350	\$ 39,439,255	\$ 37,780,926	\$ 36,722,555
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(15.44)%	6.12%	10.72%	(101.27)%
Plan fiduciary net position as a percentage of the total pension liability	102.09%	99.17%	98.57%	113.20%
Discount Rate	6.95%	6.95%	6.95%	6.95%

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	\$ 4,221,300	\$ 4,038,332	\$ 4,058,299	\$ 3,702,531
Contributions in relation to the contractually required contribution	(4,221,300)	(4,038,332)	(4,058,299)	(3,702,531)
Contribution excess	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 41,753,709	\$ 41,376,350	\$ 39,439,255	\$ 37,780,926
Contributions as a percentage of covered payroll	10.11%	9.76%	10.29%	9.80%

(1) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(2) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(3) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

2021	2020	2019	2018	2017	2016
0.213163%	0.210480%	0.208910%	0.209475%	0.206559%	0.203122%
\$ 5,890,266	\$ (5,468,297)	\$ (3,777,650)	\$ (1,592,000)	\$ 2,212,000	\$ (21,098,000)
\$ 36,286,523	\$ 35,133,000	\$ 34,029,000	\$ 33,193,000	\$ 30,512,000	\$ 30,547,000
16.23%	(15.56)%	(11.10)%	(4.80)%	7.25%	(69.07)%
97.76%	102.17%	101.53%	100.66%	99.01%	110.46%
7.10%	7.10%	7.25%	7.25%	7.50%	8.00%

2021	2020	2019	2018	2017	2016
\$ 3,499,659	\$ 3,257,490	\$ 3,334,857	\$ 3,890,000	\$ 4,226,000	\$ 5,348,000
(3,499,659)	(3,257,490)	(3,334,857)	(3,890,000)	(4,226,000)	(5,348,000)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 36,722,555	\$ 36,286,523	\$ 35,133,000	\$ 34,029,000	\$ 33,193,000	\$ 30,512,000
9.53%	8.98%	9.49%	11.43%	12.73%	17.53%

Union Free School District of the Tarrytowns, New York

Required Supplementary Information
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (1)

	<u>2025 (2)</u>	<u>2024 (3)</u>	<u>2023 (2)</u>	<u>2022</u>
School District's proportion of the net pension liability (asset)	<u>0.0245979%</u>	<u>0.0237466%</u>	<u>0.0235298%</u>	<u>0.0240525%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 4,217,491</u>	<u>\$ 3,496,455</u>	<u>\$ 5,045,737</u>	<u>\$ (1,966,193)</u>
School District's covered payroll	<u>\$ 9,475,004</u>	<u>\$ 8,821,830</u>	<u>\$ 8,364,939</u>	<u>\$ 7,435,377</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>44.51%</u>	<u>39.63%</u>	<u>60.32%</u>	<u>(26.44)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.08%</u>	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>

Schedule of Contributions

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	<u>\$ 1,193,295</u>	<u>\$ 913,127</u>	<u>\$ 780,982</u>	<u>\$ 1,036,298</u>
Contributions in relation to the contractually required contribution	<u>(1,193,295)</u>	<u>(913,127)</u>	<u>(780,982)</u>	<u>(1,036,298)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 9,842,069</u>	<u>\$ 8,757,530</u>	<u>\$ 8,606,916</u>	<u>\$ 7,496,635</u>
Contributions as a percentage of covered payroll	<u>12.12%</u>	<u>10.43%</u>	<u>9.07%</u>	<u>13.82%</u>

(1) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(2) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(3) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>0.0224503%</u>	<u>0.0214975%</u>	<u>0.0212198%</u>	<u>0.0205176%</u>	<u>0.0203160%</u>	<u>0.0211323%</u>
<u>\$ 22,355</u>	<u>\$ 5,692,650</u>	<u>\$ 1,503,000</u>	<u>\$ 662,000</u>	<u>\$ 1,909,000</u>	<u>\$ 3,392,000</u>
<u>\$ 7,091,560</u>	<u>\$ 6,610,410</u>	<u>\$ 6,159,000</u>	<u>\$ 5,849,000</u>	<u>\$ 5,620,000</u>	<u>\$ 5,445,000</u>
<u>0.32%</u>	<u>86.12%</u>	<u>24.40%</u>	<u>11.32%</u>	<u>33.97%</u>	<u>62.30%</u>
<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>
<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>\$ 869,773</u>	<u>\$ 839,899</u>	<u>\$ 862,000</u>	<u>\$ 870,000</u>	<u>\$ 874,000</u>	<u>\$ 964,000</u>
<u>(869,773)</u>	<u>(839,899)</u>	<u>(862,000)</u>	<u>(870,000)</u>	<u>(874,000)</u>	<u>(964,000)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 7,210,636</u>	<u>\$ 6,504,967</u>	<u>\$ 6,159,000</u>	<u>\$ 5,849,000</u>	<u>\$ 5,620,000</u>	<u>\$ 5,445,000</u>
<u>12.06%</u>	<u>12.91%</u>	<u>14.00%</u>	<u>14.87%</u>	<u>15.55%</u>	<u>17.70%</u>

Union Free School District of the Tarrytowns, New York

General Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 67,003,119	\$ 67,003,119	\$ 67,003,119	\$	\$ -
Other tax items	5,037,656	5,037,656	5,030,177		(7,479)
Non-property taxes	2,070,000	2,070,000	2,178,634		108,634
Charges for services	1,826,000	1,826,000	2,282,665		456,665
Use of money and property	696,000	696,000	1,463,510		767,510
Sale of property and compensation for loss	-	-	32,971		32,971
State aid	18,971,067	18,971,067	19,400,556		429,489
Miscellaneous	493,000	493,000	682,758		189,758
Total Revenues	96,096,842	96,096,842	98,074,390		1,977,548
EXPENDITURES					
Current					
General support					
Board of education	112,304	125,139	108,477	-	16,662
Central administration	465,879	452,999	450,175	-	2,824
Finance	907,893	885,172	875,963	5,132	4,077
Staff	964,431	975,917	892,549	3,125	80,243
Central services	5,951,854	6,658,948	5,655,823	556,680	446,445
Special items	991,391	1,973,336	1,657,241	306,405	9,690
Total General Support	9,393,752	11,071,511	9,640,228	871,342	559,941
Instruction					
Instruction, administration and improvement	4,760,265	4,596,768	4,284,859	48,795	263,114
Teaching - Regular school Programs for students with disabilities	32,156,090	31,652,243	30,643,378	66,084	942,781
Programs for English language learners	9,287,174	9,672,565	9,586,274	86,253	38
Occupational education	275,803	275,803	241,185	57	34,561
Teaching - Special schools	733,654	762,396	762,396	-	-
Instructional media	150,000	11,000	10,990	-	10
Pupil services	2,683,349	2,860,632	2,698,430	43,255	118,947
	5,763,269	5,976,909	5,656,420	101	320,388
Total Instruction	55,809,604	55,808,316	53,883,932	244,545	1,679,839
Pupil transportation	3,649,538	3,894,582	3,328,334	234,496	331,752
Employee benefits	23,402,001	22,110,370	21,584,965	-	525,405
Debt service					
Principal	4,050,000	4,191,557	4,191,557	-	-
Interest	1,387,370	1,403,696	1,403,696	-	-
Total Expenditures	97,692,265	98,480,032	94,032,712	1,350,383	3,096,937
Excess (Deficiency) of Revenues Over Expenditures	(1,595,423)	(2,383,190)	4,041,678	(1,350,383)	5,074,485
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	48,425	-	48,425
Transfers out	(1,150,000)	(3,654,905)	(3,654,099)	-	806
Total Other Financing Uses	(1,150,000)	(3,654,905)	(3,605,674)	-	49,231
Net Change in Fund Balance	(2,745,423)	(6,038,095)	436,004	\$ (1,350,383)	\$ 5,123,716
FUND BALANCE					
Beginning of Year	2,745,423	6,038,095	17,415,014		
End of Year	\$ -	\$ -	\$ 17,851,018		

See independent auditors' report.

Union Free School District of the Tarrytowns, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 67,003,119	\$ 67,003,119	\$ 67,003,119	\$ -
OTHER TAX ITEMS				
School tax relief reimbursement	2,837,656	2,837,656	2,837,656	-
Payments in lieu of taxes	2,200,000	2,200,000	2,192,521	(7,479)
	5,037,656	5,037,656	5,030,177	(7,479)
NON-PROPERTY TAXES				
Non-property tax distribution from County	2,070,000	2,070,000	2,178,634	108,634
CHARGES FOR SERVICES				
Day school tuition - Other districts	889,000	889,000	1,420,111	531,111
Summer school tuition	38,000	38,000	40,600	2,600
Textbook charges	39,000	39,000	40,439	1,439
Health services - Other districts	860,000	860,000	781,515	(78,485)
	1,826,000	1,826,000	2,282,665	456,665
USE OF MONEY AND PROPERTY				
Earnings on investments	595,000	595,000	1,268,439	673,439
Rental of real property	101,000	101,000	194,176	93,176
Commissions	-	-	895	895
	696,000	696,000	1,463,510	767,510
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	29,048	29,048
Sale of equipment	-	-	430	430
Other	-	-	3,493	3,493
	-	-	32,971	32,971
STATE AID				
Basic formula	16,837,490	16,837,490	13,284,209	(3,553,281)
Lottery aid	-	-	3,671,288	3,671,288
BOCES aid	1,800,501	1,800,501	2,149,593	349,092
Textbook aid	167,061	167,061	167,993	932
Computer software aid	93,559	93,559	93,873	314
Library materials aid	22,456	22,456	14,359	(8,097)
Homeless aid	50,000	50,000	19,241	(30,759)
	18,971,067	18,971,067	19,400,556	429,489
MISCELLANEOUS				
Refund of prior year's expenditures	233,000	233,000	414,334	181,334
Other	260,000	260,000	268,424	8,424
	493,000	493,000	682,758	189,758
TOTAL REVENUES	96,096,842	96,096,842	98,074,390	1,977,548

(Continued)

Union Free School District of the Tarrytowns, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OTHER FINANCING SOURCES				
Transfers in				
Capital Projects Fund	\$ -	\$ -	\$ 48,425	\$ 48,425
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>48,425</u>	<u>48,425</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 96,096,842</u>	<u>\$ 96,096,842</u>	<u>\$ 98,122,815</u>	<u>\$ 2,025,973</u>

See independent auditors' report.

Union Free School District of the Tarrytowns, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 80,318	\$ 79,597	\$ 70,160	\$ -	\$ 9,437
District clerk	16,536	17,197	17,197	-	-
District meeting	15,450	28,345	21,120	-	7,225
Total Board of Education	112,304	125,139	108,477	-	16,662
CENTRAL ADMINISTRATION					
Chief school administrator	465,879	452,999	450,175	-	2,824
FINANCE					
Business administration	705,313	665,304	657,652	5,132	2,520
Auditing	60,335	60,335	58,778	-	1,557
Treasurer	142,245	158,983	158,983	-	-
Purchasing agent	-	550	550	-	-
Total Finance	907,893	885,172	875,963	5,132	4,077
STAFF					
Legal	235,000	243,584	240,459	3,125	-
Personnel	497,819	518,538	517,236	-	1,302
Records management officer	98,612	80,795	8,600	-	72,195
Public information and services	133,000	133,000	126,254	-	6,746
Total Staff	964,431	975,917	892,549	3,125	80,243
CENTRAL SERVICES					
Operation of plant	4,281,627	4,653,270	3,993,885	329,753	329,632
Maintenance of plant	1,014,558	1,041,513	855,030	74,369	112,114
Security of plant	605,569	890,583	736,037	152,336	2,210
Central printing and mailing	50,100	73,582	70,871	222	2,489
Total Central Services	5,951,854	6,658,948	5,655,823	556,680	446,445
SPECIAL ITEMS					
Unallocated insurance	433,126	432,441	424,281	-	8,160
Assessments on school property	77,000	89,000	88,548	-	452
Refunds of real property tax	-	659,541	659,541	-	-
Administrative charge-BOCES	477,000	415,424	414,346	-	1,078
Other	4,265	376,930	70,525	306,405	-
Total Special Items	991,391	1,973,336	1,657,241	306,405	9,690
Total General Support	9,393,752	11,071,511	9,640,228	871,342	559,941
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	1,708,837	1,608,984	1,496,812	38,517	73,655
Supervision - Regular school	2,658,181	2,654,951	2,549,537	1,908	103,506
Research, Planning and Evaluation	64,000	68,390	31,453	8,370	28,567
In-service training - Instruction	329,247	264,443	207,057	-	57,386
Total Instruction, Administration and Improvement	4,760,265	4,596,768	4,284,859	48,795	263,114

(Continued)

Union Free School District of the Tarrytowns, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
INSTRUCTION (Continued)					
TEACHING - REGULAR SCHOOL	\$ 32,156,090	\$ 31,652,243	\$ 30,643,378	\$ 66,084	\$ 942,781
PROGRAMS FOR STUDENTS WITH DISABILITIES	9,287,174	9,672,565	9,586,274	86,253	38
PROGRAMS FOR ENGLISH LANGUAGE LEARNERS	275,803	275,803	241,185	57	34,561
OCCUPATIONAL EDUCATION	733,654	762,396	762,396	-	-
TEACHING - SPECIAL SCHOOLS	150,000	11,000	10,990	-	10
INSTRUCTIONAL MEDIA					
School library and audiovisual	351,971	351,372	297,711	-	53,661
Computer assisted instruction	2,331,378	2,509,260	2,400,719	43,255	65,286
Total Instructional Media	2,683,349	2,860,632	2,698,430	43,255	118,947
PUPIL SERVICES					
Attendance and guidance -					
Regular school	1,429,559	1,501,409	1,460,135	47	41,227
Health services - Regular school	799,483	789,089	749,377	-	39,712
Psychological services -					
Regular school	696,358	698,739	664,283	-	34,456
Social work services -					
Regular school	670,498	737,076	652,324	-	84,752
Pupil personnel services -					
Special school	445,560	468,870	431,962	-	36,908
Co-curricular activities -					
Regular school	418,000	429,257	392,339	-	36,918
Interscholastic activities -					
Regular school	1,303,811	1,352,469	1,306,000	54	46,415
Total Pupil Services	5,763,269	5,976,909	5,656,420	101	320,388
Total Instruction	55,809,604	55,808,316	53,883,932	244,545	1,679,839
PUPIL TRANSPORTATION					
District transportation services	3,252,066	3,531,390	3,091,635	174,515	265,240
Contract transportation	10,000	10,000	-	-	10,000
Garage building	387,472	353,192	236,699	59,981	56,512
Total Pupil Transportation	3,649,538	3,894,582	3,328,334	234,496	331,752
EMPLOYEE BENEFITS					
State retirement	1,421,941	1,166,941	1,166,354	-	587
Teachers' retirement	4,183,405	4,184,351	4,184,351	-	-
Social security	3,824,136	3,738,190	3,736,226	-	1,964
Workers' compensation benefits	390,000	390,000	384,953	-	5,047
Life insurance	41,500	41,500	33,375	-	8,125
Unemployment insurance	50,000	50,000	37,245	-	12,755
Disability insurance	15,000	15,000	-	-	15,000
Hospital and medical insurance	13,051,019	12,103,376	11,641,186	-	462,190
Employee assistance program	425,000	421,012	401,275	-	19,737
Total Employee Benefits	23,402,001	22,110,370	21,584,965	-	525,405

(Continued)

Union Free School District of the Tarrytowns, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance with Final Budget</u>
DEBT SERVICE					
Principal					
Serial bonds	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ -	\$ -
Leases	-	141,557	141,557	-	-
	<u>4,050,000</u>	<u>4,191,557</u>	<u>4,191,557</u>	<u>-</u>	<u>-</u>
Interest					
Serial bonds	1,387,370	1,387,370	1,387,370	-	-
Leases	-	16,326	16,326	-	-
	<u>1,387,370</u>	<u>1,403,696</u>	<u>1,403,696</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>5,437,370</u>	<u>5,595,253</u>	<u>5,595,253</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>97,692,265</u>	<u>98,480,032</u>	<u>94,032,712</u>	<u>1,350,383</u>	<u>3,096,937</u>
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	150,000	216,526	215,720	-	806
Capital Projects Fund	1,000,000	3,438,379	3,438,379	-	-
TOTAL OTHER FINANCING USES	<u>1,150,000</u>	<u>3,654,905</u>	<u>3,654,099</u>	<u>-</u>	<u>806</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 98,842,265</u>	<u>\$ 102,134,937</u>	<u>\$ 97,686,811</u>	<u>\$ 1,350,383</u>	<u>\$ 3,097,743</u>

See independent auditors' report.

Union Free School District of the Tarrytowns, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through June 30, 2025

Project	Appropriation	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
2023 Library Renovation and HVAC	\$ 2,350,908	\$ 1,295,144	\$ 554,440	\$ 1,849,584
SHHS Auditorium project	500,000	451,575	48,425	500,000
Food Pantry project	220,000	1,865	11,170	13,035
2024 Winfield Morse School	2,204,798	847,508	1,357,290	2,204,798
Washington Irving School-Athletic Improvements	298,152	120,468	177,684	298,152
Washington Irving School-Main	800,645	-	800,645	800,645
HS Lighting project	102,760	-	102,760	102,760
MS Science Classroom project	800,000	-	118,416	118,416
MS Safety Doors	200,000	-	-	-
MS Outdoor classroom	350,000	-	5,115	5,115
2025 Equipment Lease	339,150	-	339,150	339,150
Totals	\$ 8,166,413	\$ 2,716,560	\$ 3,515,095	\$ 6,231,655

See independent auditors' report.

Methods of Financing

Unexpended Balance	Proceeds of Obligations	Transfers	State and Federal Aid	Other	Totals	Fund Balance June 30, 2025
\$ 501,324	\$ -	\$ 1,849,584	\$ -	\$ -	\$ 1,849,584	\$ -
-	-	500,000	-	-	500,000	-
206,965	-	220,000	-	-	220,000	206,965
-	-	2,204,798	-	-	2,204,798	-
-	-	298,152	-	-	298,152	-
-	-	800,645	-	-	800,645	-
-	-	102,760	-	-	102,760	-
681,584	-	800,000	-	-	800,000	681,584
200,000	-	200,000	-	-	200,000	200,000
344,885	-	-	5,115	-	5,115	-
-	339,150	-	-	-	339,150	-
<u>\$ 1,934,758</u>	<u>\$ 339,150</u>	<u>\$ 6,975,939</u>	<u>\$ 5,115</u>	<u>\$ -</u>	<u>\$ 7,320,204</u>	<u>\$ 1,088,549</u>

Union Free School District of the Tarrytowns, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2025

	School Lunch	Special Purpose	Total Non-Major Governmental Funds
ASSETS			
Cash and equivalents	\$ 693,704	\$ 471,802	\$ 1,165,506
Receivables			
State and Federal aid	137,629	-	137,629
Inventories	16,690	-	16,690
Total Assets	<u>\$ 848,023</u>	<u>\$ 471,802</u>	<u>\$ 1,319,825</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 108,342	\$ 17,948	\$ 126,290
Accrued liabilities	6,869	-	6,869
Unearned revenues	26,143	-	26,143
Due to other governments	403	-	403
Due to retirement systems	25,624	-	25,624
Due to other funds	318	6,399	6,717
Total Liabilities	<u>167,699</u>	<u>24,347</u>	<u>192,046</u>
Fund balances			
Nonspendable	16,690	-	16,690
Restricted	-	447,455	447,455
Assigned	663,634	-	663,634
Total Fund Balances	<u>680,324</u>	<u>447,455</u>	<u>1,127,779</u>
Total Liabilities and Fund Balances	<u>\$ 848,023</u>	<u>\$ 471,802</u>	<u>\$ 1,319,825</u>

See independent auditors' report.

Union Free School District of the Tarrytowns, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year Ended June 30, 2025

	School Lunch	Special Purpose	Total Non-Major Governmental Funds
REVENUES			
State aid	\$ 470,740	\$ -	\$ 470,740
Federal aid	1,296,691	-	1,296,691
Food sales	46,726	-	46,726
Miscellaneous	-	677,423	677,423
	<u>1,814,157</u>	<u>677,423</u>	<u>2,491,580</u>
EXPENDITURES			
Current			
Cost of food sales	1,627,430	-	1,627,430
Other	-	686,216	686,216
	<u>1,627,430</u>	<u>686,216</u>	<u>2,313,646</u>
Excess (Deficiency) of Revenues Over Expenditures	186,727	(8,793)	177,934
FUND BALANCES			
Beginning of Year	<u>493,597</u>	<u>456,248</u>	<u>949,845</u>
End of Year	<u>\$ 680,324</u>	<u>\$ 447,455</u>	<u>\$ 1,127,779</u>

See independent auditors' report.

Union Free School District of the Tarrytowns, New York

General Fund
 Analysis of Change from Adopted Budget to Final Budget
 Year Ended June 30, 2025

Adopted Budget		\$ 97,621,842
Encumbrances		<u>1,220,423</u>
Original Budget		98,842,265
Budget Revisions		<u>3,292,672</u>
Final Budget		<u><u>\$ 102,134,937</u></u>

General Fund
 Section 1318 of Real Property Tax Law Limit Calculation
 Year Ended June 30, 2025

2025-26 Expenditure Budget		<u>\$ 101,350,265</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	\$ 2,850,383	
Unassigned fund balance	<u>4,054,011</u>	
Total Unrestricted Fund Balance		<u>6,904,394</u>
Less		
Encumbrances	1,350,383	
Appropriated for subsequent year's budget	<u>1,500,000</u>	
Total Adjustments		<u>2,850,383</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 4,054,011</u></u>
Actual Percentage		<u><u>4.00%</u></u>

See independent auditors' report.

Union Free School District of the Tarrytowns, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2025

Capital Assets, net		\$ 76,298,517
Less		
General obligation bonds payable	\$ (44,820,000)	
Leases payable	(279,106)	
Unamortized portion of issuance premium on bonds	<u>(1,132,189)</u>	(46,231,295)
Plus		
Unamortized portion of loss on refunding bonds		<u>445,393</u>
Net Investment in Capital Assets		<u><u>\$ 30,512,615</u></u>

See independent auditors' report.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

The Board of Education of the Union Free School District of the Tarrytowns, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Union Free School District of the Tarrytowns, New York ("School District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 7, 2025