Chappaqua Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2025

Chappaqua Central School District, New York

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PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

The Board of Education of the
Chappaqua Central School District, 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 Chappaqua Central School District, 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 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.

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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 September 29, 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
September 29, 2025

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Introduction

This discussion and analysis of the Chappaqua Central School District's ("School District") financial performance provides an overview of the School District's financial activities for the fiscal year ending June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. It should be read in conjunction with the financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for fiscal year 2024-25 are as follows:

- New York State Law limits the amount of unassigned (formerly known as unreserved) fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount utilized (assigned) to balance the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund is $5,768,001. The unassigned fund balance of the General Fund is 3.99% of the 2025-26 budget. This amount is available for spending at the discretion of the School District.

- The School District's General Fund balance increased by $2,029,894, from $19,446,665 to $21,476,559 as a result of increased revenue and reduced expenditures.

- The School District's overall fund balance increased from $10,780,933 to $31,815,734, an increase of $21,034,801. The primary driver of this increase was in the fund balance of the Capital Projects Fund, which rose from a deficit of $9,259,640 at the close of the prior year to a positive balance of $9,620,519, an increase of $18,880,159. This change reflects the School District's ongoing work of the $33,985,000 District-Wide Improvements and Alterations capital project. At the close of the current fiscal year, the School District secured permanent financing for the project through the issuance of general obligation bonds. In accordance with accounting standards, these bonds are recognized as revenue upon issuance. As the School District expends these funds, the capital projects fund balance will approach zero. The School District completed the financing of the general obligation bonds during the 2024-25 fiscal year and has also retired its previous Bond Anticipation Notes ("BAN"s) in July 2025.

- 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 the fiscal year by $147,485,477, an increase of the deficit net position of $25,686,836 for the year ended June 30, 2025 (inclusive of the cumulative effect of change in accounting principle). The increase in the deficit is largely attributable to the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "*Compensated Absences*" effective with the 2024-25 school year. This Statement requires that in addition to the value of unused leave time owed to employees upon separation from employment, the School District must now also recognize 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. This change resulted in the cumulative effect for a change in accounting principle of $(14,758,950) as of July 1, 2024. This amount, coupled with the current year's increase in the compensated absences liability of $4,172,104, was the primary driver in the overall decrease in the School District's net position.

- For the year ended June 30, 2025, the School District's OPEB liability of $234,460,859 is reflected on the district-wide Statement of Net Position and impacts the total net position calculation. The opinion formed by the actuary and the underlying actuarial methods, considerations, and analyses conform to the appropriate Standards of Practice and Guidelines of the Actuarial Standards Board. The School District believes that the assumptions used for the valuation and the reporting of results are consistent with assumptions, benefits, and provisions for similar school districts in the County of Westchester, the State of New York, and nationally. The actuarial report also includes results under various scenarios based on different assumptions for key factors such as healthcare cost inflation, future retirees contribution rates and discount rates, which by their nature are estimates and subject to change. A change in one or more of these factors could have a significant effect on the valuation of the unfunded accrued liability and the difference could be material. More detailed information about the School District's OPEB liabilities reported in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", is presented in Note 3E in the notes to the financial statements. For the full GASB Statement No. 75 report, please visit the School District website at: https://www.chappaquaschools.org/uploaded/CCSD/Departments/Business_Office/_Financial_Legal/GASB75_Year_Ending_6-30-2025.pdf

- 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 a liability for its proportionate share of the ERS net pension liability of $3,878,941 while reporting $8,894,879 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 3E in the notes to financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) district-wide financial statements, (2) fund financial statements and (3) notes to the 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.

- 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, Capital Projects Fund, School Lunch Fund and Special Purpose 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 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.

- *Fiduciary funds* are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs. The School District maintains only one type of fiduciary fund that is known as a Custodial Fund. The Custodial Fund reports resources, not in a trust, that are held by the School District for other parties outside of the School District's reporting entity and, in the case of the School District, account for real property taxes collected for the Chappaqua Public Library.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

Notes to the 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 Chappaqua Central School District, New York at the close of the current fiscal year, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $147,485,477.

Net Position

	June 30, 2025	June 30, 2024
ASSETS		
Current Assets	$ 65,949,624	$ 32,023,155
Net Pension Asset	8,894,879	-
Capital Assets, net	164,501,859	151,374,321
Total Assets	239,346,362	183,397,476
DEFERRED OUTFLOWS OF RESOURCES	28,356,020	41,422,279
LIABILITIES		
Current Liabilities	35,387,536	21,868,079
Long-term Liabilities	341,518,077	296,864,562
Total Liabilities	376,905,613	318,732,641
DEFERRED INFLOWS OF RESOURCES	38,282,246	27,885,755
NET POSITION		
Net Investment in Capital Assets	93,879,944	102,412,144
Restricted		
Capital Projects	727,182	290,185
Future Capital Projects	1,046,859	1,001,657
Tax Certiorari	1,454,684	2,107,577
Tax Reduction	5,350	5,119
Property Loss	67,531	64,615
Insurance	240,644	230,253
Liability Claims	250,147	239,346
Repairs	6,483	6,204
Retirement Contributions	3,356,866	2,135,497
Debt Service	3,106,757	1,202,815
Special Purpose	340,717	238,272
Unrestricted	(251,968,641)	(231,732,325)
Total Net Position	$ (147,485,477)	$ (121,798,641)

Total assets increased by $55,948,886. Current assets increased by $33,926,469 primarily due to the issuance of the $33,840,000 in general obligation bonds for the district-wide improvements capital projects (and before the retirement/payoff of the $23,500,000 BAN in July 2025). Another large component was the $13,127,538 net increase in capital assets as a result of the ongoing district-wide improvements capital projects.

Current liabilities increased by $13,519,457. In the prior year, the School District had issued an initial $9,500,000 BAN to provide the initial cash flow funding for the district-wide improvement capital project. During the current year, an additional $14,000,000 in BAN funding was issued bringing the total to $23,500,000 and was the primary driver of the increase in current liabilities.

Long-term liabilities increased by $44,653,515 from the previous year. The School District issued a $33,840,000 general obligation bond to fund the $33,985,000 District-Wide Improvements and Alterations capital project while retiring $3,450,000 in previously issued general obligation bonded debt. The liability for compensated absences increased in total by $18,931,054 ($14,758,950 for the cumulative effect of change in accounting principle and $4,172,104 for the change in 2024-25) in accordance with the provisions of GASB Statement No. 101. ERS liabilities calculated in accordance with GASB Statement No. 68 decreased by $59,795. The net pension liability in the prior year for TRS of $3,406,725 was eliminated (and became a net pension asset in the current year). The OPEB liability calculated in accordance with GASB Statement No. 75 decreased by $1,219,377 primarily due to a decrease in retirees from the previous year.

A large component of the School District's net position ($93,879,944) reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The School District uses these capital assets to provide services to the 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 $10,603,220 of net position. They are amounts restricted for specific purposes, i.e., payments of tax certiorari claims, capital projects, debt service, retirement contributions, etc. There is a negative balance of unrestricted net position of $251,968,641, primarily due to the recognition of the OPEB liabilities. Overall, the net position decreased by $25,686,836, mostly as a result of changes in the compensated absences liability calculated in accordance with GASB Statement No. 101.

Changes in Net Position

	June 30, 2025	June 30, 2024
REVENUES		
Program Revenues		
Charges for Services	$ 2,510,667	$ 2,530,115
Operating Grants and Contributions	6,294,245	5,982,478
Capital Grants and Contributions	106,916	92,655
Total Program Revenues	8,911,828	8,605,248
General Revenues		
Real Property Taxes	119,979,668	117,681,114
Other Tax Items (STAR)	1,759,316	1,893,346
Non-Property Taxes	1,785,248	1,783,415
Unrestricted Use of Money and Property	2,191,222	1,851,810
Sale of property and compensation for loss	29,285	
Unrestricted State Aid	9,714,135	10,023,107
Miscellaneous	702,186	614,109
Total General Revenues	136,161,060	133,846,901
Total Revenues	145,072,888	142,452,149
EXPENSES		
General Support	21,238,329	21,695,940
Instruction	122,485,948	121,647,053
Pupil Transportation	7,648,120	7,405,655
Community Services	23,970	24,186
Cost of Food Sales	2,134,862	2,094,760
Other	382,865	456,478
Interest	2,086,680	1,607,910
Total Expenses	156,000,774	154,931,982
Change in Net Position	(10,927,886)	(12,479,833)
Net Position - Beginning, as reported	(121,798,641)	(109,318,808)
Cumulative Effect of Change in Accounting Principle	(14,758,950)	-
Net Position - Beginning, as restated	(136,557,591)	(109,318,808)
Ending	$ (147,485,477)	$ (121,798,641)

The School District's net position decreased by $25,686,836 (inclusive of the cumulative effect of change in accounting principle) from a deficit of $121,768,641 to a deficit of $147,485,477. The major changes from 2023-24 to 2024-2025 are as follows:

Revenues:

The School District's total program revenues saw an increase of $306,580, general revenues increased by $2,314,159 for a total increase of $2,620,739. The primary elements of these changes were:

- Operating grants and contributions increased by $311,767. Primarily due to an increase in lottery aid partially offset by a reduction in emergency management aid.

- Real Property Taxes (excluding STAR) increased by $2,298,554 due to an increase in the tax levy that remained within the tax levy cap.

- Other Tax Items (STAR) saw a decrease of $134,030. All new homebuyers who qualify for the STAR program are no longer able to have STAR deducted from their property tax bills but rather must file with the State for direct rebates. Also, those taxpayers whose taxable income is over $250,000 but less than $500,000 must also file for rebates.

- Unrestricted State Aid decreased by $308,972 due to a decrease in Foundation Aid, partially offset by an increase in BOCES Aid of $192,103.

- Unrestricted Use of Money and Property saw an increase of $339,412, which predominantly represents an increase in interest income due to higher interest rates.

Expenses:

The School District’s expenses increased by $1,068,792. The highlights were:

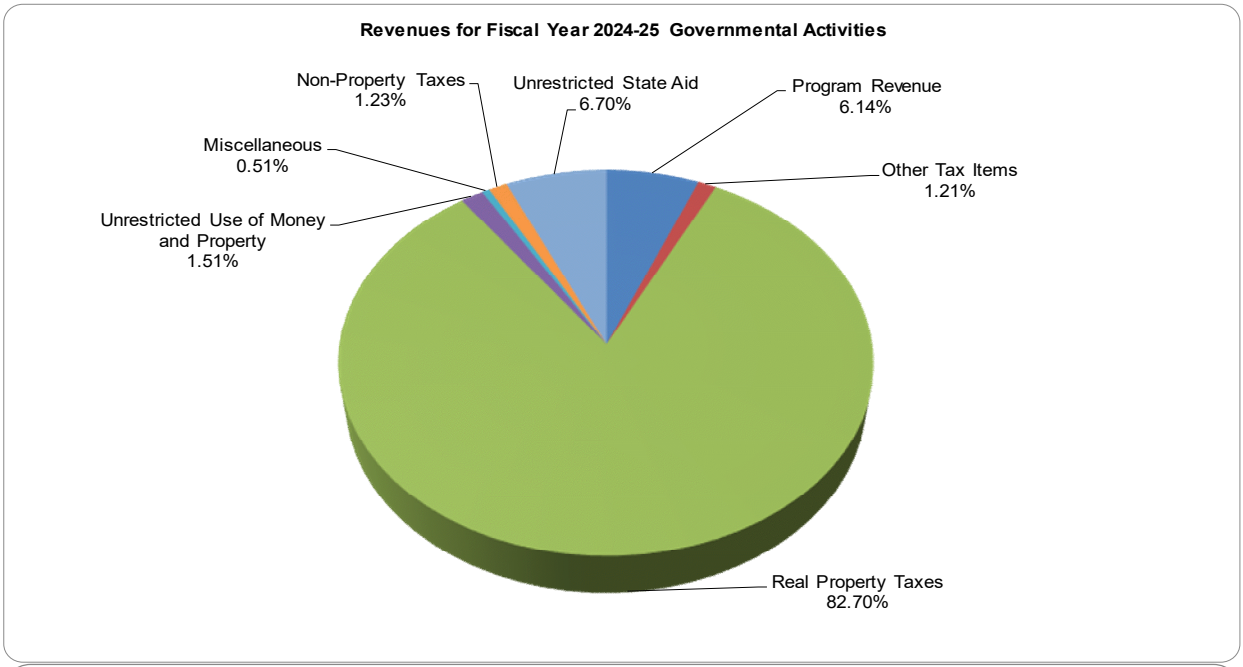
- General Support saw a decrease of $457,611 due to a decrease in operation and maintenance and administrative costs.

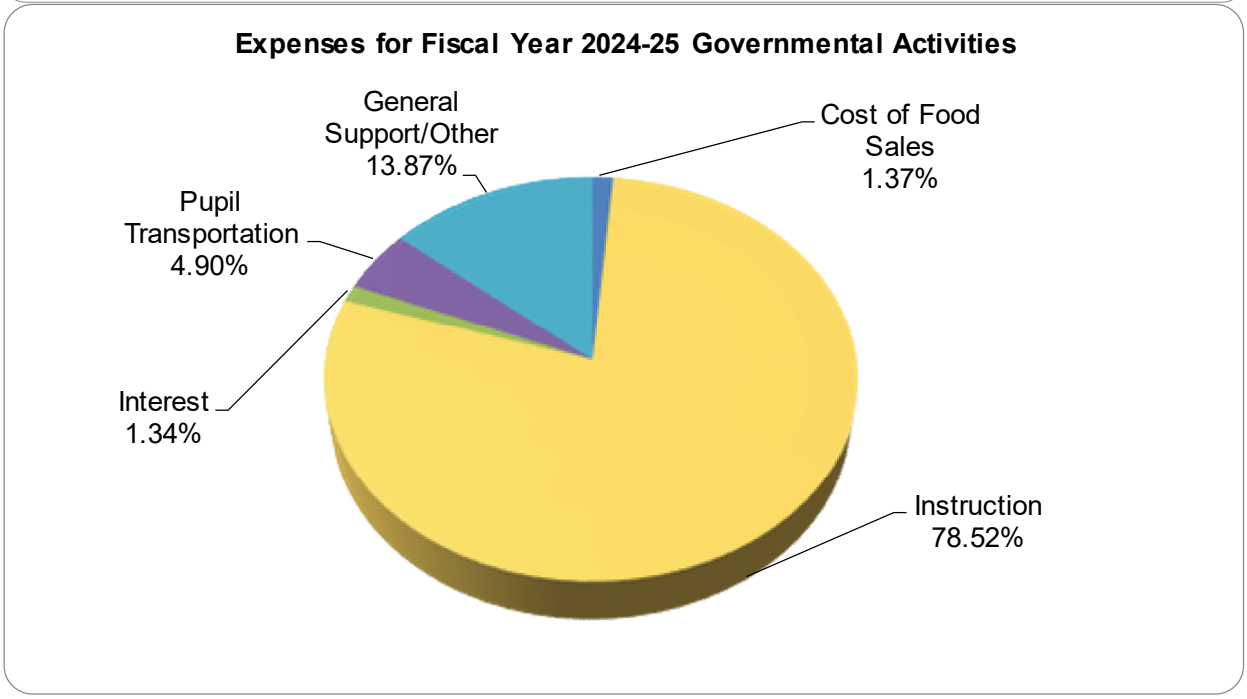
- Instruction increased by $838,895, which was primarily due to the allocation of the OPEB and pension liability adjustments.

- Pupil Transportation costs increased by $242,465 due to an increase in contractual expenses and increased fuel costs.

- Interest expense increase by $478,770 due to increase in outstanding borrowings related to the BAN’s and the general obligation bonds associated with the district-wide improvements capital projects.

As presented in the following graphs, the School District relies upon real property taxes and other tax items (STAR) as its primary revenue sources (82.72%). Instruction expenses account for 78.5% of total expenses.





Financial Analysis of the School District's Funds

As noted earlier, the 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 fiscal year, the School District's governmental funds reported combined fund balances of $31,815,734, an increase of $21,034,801 from prior year's fund balance of $10,780,933. This is primarily due to financing of the voter approved $33,985,000 capital improvement project, which will be expended in the 2025-26 school year.

The School District's fund balance for the General Fund increased by $2,029,894, from $19,446,665 in 2023-24 to $21,476,559 for the current fiscal year. This increase was driven primarily by greater than expected revenues from interest earnings and issuance premium received on the general obligation bond issuance. The School District also realized expenditure savings, particularly in the area of employee benefits and salaries. These results afforded the School District the ability to increase its unassigned fund balance by $163,826, increasing it to 3.99% of the 2025-26 adopted budget, and increasing restricted reserves by $2,658,293, while still appropriating $2,500,000 to provide real property tax relief in the 2025-2026 fiscal year.

For fiscal year 2024-2025, the General Fund actual revenues and other financing sources exceeded the final revenue budget by $3,501,185. The largest variances were $1,729,913 in the use of money and property (additional interest earnings) category, a variance of $443,017 in Miscellaneous, which is related to refunds on prior year expenditures and $1,141,236 from bond issuance premium that was not anticipated when budget was adopted.

General Fund expenditures and other financing uses for 2024-25 were $3,045,637 less than the final budget, before the deduction of $985,442 for encumbrances, for a net savings of $2,060,195. Positive variances (spent less than budgeted amount) were primarily shown in the following areas: Instruction $1,179,486 and Employee Benefits $263,141.

General Fund Budgetary Highlights

The original expenditure budget (including the rollover of prior year encumbrances) and the final amended budget showed an increase of $1,064,892. The modifications were driven by additional appropriations for emergency facility repairs of $287,805. The School District also used appropriated funds from its restricted fund balance to fulfill a tax certiorari claim of $715,703. The balance of the budgetary adjustments of $61,383 were derived from additional grants and donations.

Fund Balance Analysis

Fund balance of the General Fund is made up of four categories and they are illustrated below:

Fund Balance	June 30, 2025	June 30, 2024
Non-spendable	$ -	$ 764,248
Restricted	12,223,116	9,564,823
Assigned	3,485,442	3,513,419
Unassigned	5,768,001	5,604,175
Total	$ 21,476,559	$ 19,446,665

The largest category of fund balance is in "Restricted" and these funds, $12,223,116 in total, were established and set aside for specific purposes. The "Assigned" fund balance of $3,485,442 consists of two parts: $985,442 (vs. last year's $785,140) is for encumbrances (purchases on order) - commitments made by the School District for goods or services, and $2,500,000 is assigned for

subsequent year's expenditures (i.e. balancing of the 2025-26 budget). The "Unassigned" fund balance of $5,768,001 is available for spending at the discretion of the School District and represents 3.99% of the 2025-2026 adopted budget (maximum allowed is 4.00%). Fund balance is an indicator of the financial strength of a school district.

The actual amount of fund balance in each restricted category is presented in Note 3G - Fund Balances.

Capital Assets

At June 30, 2025, the School District had $164,501,859 net of accumulated depreciation/amortization invested in a broad range of capital assets, including land, land improvements, buildings and improvements, machinery and equipment, construction-in-progress, and right-to-use leased equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

Class	June 30, 2025	June 30, 2024
Land	$ 2,177,700	$ 2,177,700
Construction in Progress	19,096,574	8,415,764
Land Improvements	3,939,515	3,517,949
Buildings and Improvements	132,684,584	130,587,065
Machinery and Equipment	5,344,510	5,826,541
Right-to-use Leased Equipment	1,258,976	849,302
Total Capital Assets, Net of Accumulated Depreciation	$ 164,501,859	$ 151,374,321

The increase in capital assets primarily results from the District-Wide Improvements and Alterations capital project.

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

Long-Term Liabilities

At June 30, 2025, the School District had $341,518,077 in general obligation debt and other long-term liabilities outstanding, as follows:

	June 30, 2025	June 30, 2024
General Obligations Bonds Payable (Including Unamortized Premium)	$ 74,868,340	$ 43,844,891
Energy Performance Contract Debt	3,975,467	5,071,877
Leases Payable	1,336,417	855,098
Compensated Absences	22,998,053	4,066,999
Net Pension Liability	3,878,941	7,345,461
Other Postemployment Benefit Liability	234,460,859	235,680,236
Total	$ 341,518,077	$ 296,864,562

Long-term liabilities comprise six figures: general obligation bonds payable, energy performance contract debt, leases payable, compensated absences, net pension liability and other postemployment benefit liability. Bonds payable plus unamortized premium on bonds and energy performance contract debt saw a combined increase of $29,927,039 as debt was retired, and the School District financed a bond for the $33,985,000 voter-approved capital bond project. Due to investment gains in both ERS and TRS during the current year, the net pension liabilities decreased by $3,466,520 (with TRS becoming a net pension asset instead). The compensated absences liability increased by $18,931,054 due to the implementation of GASB Statement No.101 discussed earlier.

Other postemployment benefit liabilities saw a slight decrease in the amount of $1,219,377. This decrease was mainly due to realigning the discount rate from 4.10% to 4.47%, which is consistent with discount rates in the market today and with the prescribed discount rate methodology under GASB Statement No.75.

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More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements (Note 3E - Long-Term Liabilities).

Summary

The Chappaqua Central School District is financially solid. Overall, the financial position of the School District for the year ended June 30, 2025 is similar to the previous fiscal years and remains strong.

Requests for Information

This financial report is designed to provide a comprehensive 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:

Chappaqua Central School District
Attn: Joshua Culwell-Block
Assistant Superintendent for Business
PO Box 21
Chappaqua, New York 10514
Tel: (914)238-7200 X1019
E-mail: joblock@chappaquaschools.org

Chappaqua Central School District, New York

Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and equivalents	$ 2,082,068
Investments	60,566,642
Receivables	
Accounts	117,517
State and Federal aid	3,179,926
Inventories	3,471
Net pension asset - TRS	8,894,879
Capital assets	
Not being depreciated	21,274,274
Being depreciated/amortized, net	143,227,585
Total Assets	239,346,362
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	664,972
Pension related	24,392,773
OPEB related	3,298,275
Total Deferred Outflows of Resources	28,356,020
LIABILITIES	
Accounts payable	1,062,579
Accrued liabilities	1,241,658
Bond anticipation note payable	23,500,000
Employee payroll deductions	10,070
Due to retirement systems	7,065,586
Due to other governments	251,750
Unearned revenues	1,002,247
Accrued interest payable	1,253,646
Non-current liabilities	
Due within one year	15,037,796
Due in more than one year	326,480,281
Total Liabilities	376,905,613
DEFERRED INFLOWS OF RESOURCES	
Pension related	11,685,168
OPEB related	26,597,078
Total Inflows of Resources	38,282,246
NET POSITION	
Net investment in capital assets	93,879,944
Restricted	
Capital projects	727,182
Future capital projects	1,046,859
Tax certiorari	1,454,684
Tax reduction	5,350
Property loss	67,531
Insurance	240,644
Liability claims	250,147
Repairs	6,483
ERS retirement contributions	3,356,866
Debt service	3,106,757
Special purpose	
Extraclassroom activities	118,939
Other	221,778
Unrestricted	(251,968,641)
Total Net Position	$ (147,485,477)

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

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Chappaqua Central School District, New York

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
General support	$ 21,238,329	$ 101,063	$ 299,853	$ -	$ (20,837,413)
Instruction	122,485,948	611,823	5,149,698	-	(116,724,427)
Pupil transportation	7,648,120	-	-	-	(7,648,120)
Community services	23,970	-	-	-	(23,970)
Cost of food sales	2,134,862	1,797,781	359,384	-	22,303
Other	382,865	-	485,310	-	102,445
Interest	2,086,680	-	-	106,916	(1,979,764)
Total Governmental Activities	$ 156,000,774	$ 2,510,667	$ 6,294,245	$ 106,916	(147,088,946)
General revenues					
Real property taxes					119,979,668
Other tax items					
School tax relief reimbursement					1,759,316
Non-property taxes					
Non-property tax distribution from County					1,785,248
Unrestricted use of money and property					2,191,222
Sale of property and compensation for loss					29,285
Unrestricted State aid					9,714,135
Miscellaneous					702,186
Total General Revenues					136,161,060
Change in Net Position					(10,927,886)
NET POSITION					
Beginning, as reported					(121,798,641)
Cumulative Effect of Change in Accounting Principle					(14,758,950)
Beginning, as restated					(136,557,591)
Ending					$ (147,485,477)

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

Chappaqua Central School District, New York

Balance Sheet
Governmental Funds
June 30, 2025

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	$ 1,256,507	$ 42,988	$ 342,383
Investments	26,806,391	-	33,457,676
Receivables			
Accounts	85,945	31,572	-
State and Federal aid	1,999,757	1,164,560	-
Due from other funds	1,770,518	21,676	543,094
Inventories	-	-	-
Total Assets	$ 31,919,118	$ 1,260,796	$ 34,343,153
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 346,102	$ 143	$ 714,279
Accrued liabilities	1,241,658	-	-
Bond anticipation note payable	-	-	23,500,000
Employee payroll deductions	10,070	-	-
Due to other funds	646,521	1,260,653	508,355
Due to retirement systems	7,065,586	-	-
Due to other governments	251,750	-	-
Unearned revenues	880,872	-	-
Total Liabilities	10,442,559	1,260,796	24,722,634
Fund balances			
Nonspendable	-	-	-
Restricted	12,223,116	-	9,620,519
Assigned	3,485,442	-	-
Unassigned	5,768,001	-	-
Total Fund Balances	21,476,559	-	9,620,519
Total Liabilities and Fund Balances	$ 31,919,118	$ 1,260,796	$ 34,343,153

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

Non-Major Governmental	Total Governmental Funds
$ 440,190	$ 2,082,068
302,575	60,566,642
-	117,517
15,609	3,179,926
81,753	2,417,041
3,471	3,471
$ 843,598	$ 68,366,665
$ 2,055	$ 1,062,579
-	1,241,658
-	23,500,000
-	10,070
1,512	2,417,041
-	7,065,586
-	251,750
121,375	1,002,247
124,942	36,550,931
3,471	3,471
340,717	22,184,352
374,468	3,859,910
-	5,768,001
718,656	31,815,734
$ 843,598	$ 68,366,665

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Chappaqua Central School District, 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	$ 31,815,734
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	21,274,274
Capital assets - depreciable/amortizable	236,207,871
Accumulated depreciation/amortization	(92,980,286)
	164,501,859
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	24,392,773
Deferred outflows - OPEB related	3,298,275
Deferred inflows - pension related	(11,685,168)
Deferred inflows - OPEB related	(26,597,078)
	(10,591,198)
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - TRS	8,894,879
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(1,253,646)
General obligation bonds payable	(71,400,000)
Energy performance contract debt payable	(3,975,467)
Leases payable	(1,336,417)
Compensated absences	(22,998,053)
Net pension liability - ERS	(3,878,941)
Total OPEB liability	(234,460,859)
	(339,303,383)
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	664,972
Premium on general obligation bonds	(3,468,340)
	(2,803,368)
Net Position of Governmental Activities	$ (147,485,477)

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

Chappaqua Central School District, 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	$ 119,979,668	$ -	$ -
Other tax items	1,759,316	-	-
Non-property taxes	1,785,248	-	-
Charges for services	611,823	-	-
Use of money and property	2,699,913	-	-
Sale of property and compensation for loss	29,285	-	-
State aid	12,719,218	753,006	-
Federal aid	143,238	909,727	-
Food sales	-	-	-
Miscellaneous	713,082	326,889	-
Total Revenues	140,440,791	1,989,622	-
EXPENDITURES			
Current			
General support	17,298,934	-	-
Instruction	75,172,770	2,128,870	-
Pupil transportation	7,648,120	-	-
Community services	23,970	-	-
Employee benefits	30,396,504	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	4,962,338	-	-
Interest	1,821,961	-	-
Capital outlay	-	-	17,945,376
Total Expenditures	137,324,597	2,128,870	17,945,376
Excess (Deficiency) of Revenues Over Expenditures	3,116,194	(139,248)	(17,945,376)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	33,840,000
Issuance premium	1,141,236	-	-
Leases issued	-	-	897,247
Transfers in	-	139,248	2,088,288
Transfers out	(2,227,536)	-	-
Total Other Financing Sources (Uses)	(1,086,300)	139,248	36,825,535
Net Change in Fund Balances	2,029,894	-	18,880,159
FUND BALANCES (DEFICITS)			
Beginning of Year	19,446,665	-	(9,259,640)
End of Year	$ 21,476,559	$ -	$ 9,620,519

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

Non-Major Governmental	Total Governmental Funds
$ -	$ 119,979,668
-	1,759,316
-	1,785,248
-	611,823
11,349	2,711,262
-	29,285
16,088	13,488,312
331,917	1,384,882
1,797,781	1,797,781
485,340	1,525,311
2,642,475	145,072,888
-	17,298,934
-	77,301,640
-	7,648,120
-	23,970
-	30,396,504
2,134,862	2,134,862
382,865	382,865
-	4,962,338
-	1,821,961
-	17,945,376
2,517,727	159,916,570
124,748	(14,843,682)
-	33,840,000
-	1,141,236
-	897,247
-	2,227,536
-	(2,227,536)
-	35,878,483
124,748	21,034,801
593,908	10,780,933
$ 718,656	$ 31,815,734

Chappaqua Central School District, 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	$ 21,034,801
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	18,942,548
Depreciation/amortization expense	(5,815,010)
	13,127,538
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 debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
General obligation bonds issued	(33,840,000)
Issuance premium	(1,141,236)
Leases issued	(897,247)
Principal paid on general obligation bonds	3,450,000
Principal paid on energy performance contract debt	1,096,410
Principal paid on leases	415,928
	(30,916,145)
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.	
Accrued interest	(627,789)
Changes in pension liabilities and related deferred outflows and inflows of resources	1,216,663
Compensated absences	(4,172,104)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(10,953,920)
Amortization of loss on refunding bonds and issuance premium	363,070
	(14,174,080)
Change in Net Position of Governmental Activities	$ (10,927,886)

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

Chappaqua Central School District, New York

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 119,979,667	$ 119,979,667	$ 119,979,668	$ 1
Other tax items	1,759,316	1,759,316	1,759,316	-
Non-property taxes	1,836,001	1,836,001	1,785,248	(50,753)
Charges for services	727,815	730,133	611,823	(118,310)
Use of money and property	970,000	970,000	2,699,913	1,729,913
Sale of property and compensation for loss	85,000	85,000	29,285	(55,715)
State aid	12,400,660	12,450,660	12,719,218	268,558
Federal aid	-	-	143,238	143,238
Miscellaneous	261,000	270,065	713,082	443,017
Total Revenues	138,019,459	138,080,842	140,440,791	2,359,949
EXPENDITURES				
Current				
General support	16,882,640	18,107,204	17,298,934	808,270
Instruction	75,536,024	76,890,668	75,172,770	1,717,898
Pupil transportation	7,942,436	7,810,001	7,648,120	161,881
Community services	20,000	24,000	23,970	30
Employee benefits	31,922,626	30,659,645	30,396,504	263,141
Debt service				
Principal	5,406,410	4,975,299	4,962,338	12,961
Interest	1,801,555	1,821,961	1,821,961	-
Total Expenditures	139,511,691	140,288,778	137,324,597	2,964,181
Excess (Deficiency) of Revenues Over Expenditures	(1,492,232)	(2,207,936)	3,116,194	5,324,130
OTHER FINANCING SOURCES (USES)				
Issuance premium	-	-	1,141,236	1,141,236
Transfers out	(2,021,187)	(2,308,992)	(2,227,536)	81,456
Total Other Financing Uses	(2,021,187)	(2,308,992)	(1,086,300)	1,222,692
Net Change in Fund Balance	(3,513,419)	(4,516,928)	2,029,894	6,546,822
FUND BALANCE				
Beginning of Year	3,513,419	4,516,928	19,446,665	14,929,737
End of Year	$ -	$ -	$ 21,476,559	$ 21,476,559

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

Chappaqua Central School District, New York

Fiduciary Fund
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

	Custodial Fund
ADDITIONS	
Real property taxes collected for other governments	$ 3,617,100
DEDUCTIONS	
Payments of real property taxes to other governments	3,617,100
Change in Fiduciary Net Position	$ -

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

Note 1 - Summary of Significant Accounting Policies

The Chappaqua Central School District, New York ("School District"), as presently constituted, was established in 1905 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 Putnam-Northern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating district's 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 the ratio which the component school district's value of taxable properties in effect at the time of adoption bears to the total full value of taxable properties of all component school districts within BOCES as defined by Education Law. Copies of BOCES' financial statement can be requested from Putnam-Northern Westchester BOCES, 200 BOCES Drive, Yorktown Heights, New York 10598.

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 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 explain 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds - Special revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The 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, State or local funds. The major revenues of this fund are State and Federal 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.

Special Revenue Funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the lunch program 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 the extraclassroom activity funds.

b. Fiduciary Funds (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. The Custodial Fund is used to account for taxes collected for the Chappaqua Public Library.

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,* as is the Fiduciary Fund. 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 compensated absences, net pension liabilities 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 in the amount of $34,237,008 at June 30, 2025 is equal to the value of the pool shares. 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 in the amount of $26,329,634 at June 30, 2025 is equal to the value of the pool shares.

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 Global 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 July 1st and are levied and payable in September and January. The Towns of New Castle, New York and Mount Pleasant, New York which are included in the levy 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 by the School District. 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 and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value, which approximates market. These inventories consist primarily of items held for consumption. 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.

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 of more than $5,000 and an estimated useful life in excess of one year. Such assets (except

Note 1 - Summary of Significant Accounting Policies (Continued)

intangible right-to-use assets, which are 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 as sets 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 assets of the School District are depreciated/amortized using the straight line method over the following estimated useful lives.

Class	Life in Years
Land Improvements	20-50
Buildings and Improvements	20-50
Machinery and Equipment	5-20
Right-to-use Leased Assets	5-20

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the 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 revenue received in advance and/or 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 revenues of $880,872 in the General Fund for fees received in advance and $121,375 in the School Lunch Fund for meal cards purchased in advance. 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District reported deferred amounts on refunding bonds resulting 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 has 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 3E.

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 $10,000 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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 for capital projects, future capital projects, tax certiorari, tax reduction, property loss, insurance, liability claims, repairs, ERS retirement contributions, debt service, and special purposes.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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 School District 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 the Assistant Superintendent for Business for amounts assigned for 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 generally 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 September 29, 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 fund 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 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 and Special Purpose funds since other means control the use of these resources (e.g., grant 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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.

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 $(14,758,950).

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 begun 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 due from/to other funds at June 30, 2025 is as follows:

Fund	Due From	Due To
General	$ 1,770,518	$ 646,521
Special Aid	21,676	1,260,653
Capital Projects	543,094	508,355
Non-Major Governmental	81,753	1,512
	$ 2,417,041	$ 2,417,041

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	$ 2,177,700	$ -	$ -	$ 2,177,700
Construction-in-progress	8,415,764	15,396,839	4,716,029	19,096,574
Total Capital Assets, not being depreciated	$ 10,593,464	$ 15,396,839	$ 4,716,029	$ 21,274,274
Capital Assets, being depreciated/amortized:				
Land Improvements	$ 6,928,579	$ 584,888	$ -	$ 7,513,467
Buildings and Improvements	207,240,344	6,447,195	-	213,687,539
Machinery and Equipment	12,986,959	332,408	153,818	13,165,549
Right-to-use Leased Equipment	944,069	897,247	-	1,841,316
Total Capital Assets, being depreciated/amortized	228,099,951	8,261,738	153,818	236,207,871
Less Accumulated Depreciation/Amortization for:				
Land Improvements	3,410,630	163,322	-	3,573,952
Buildings and Improvements	76,653,279	4,349,676	-	81,002,955
Machinery and Equipment	7,160,418	814,439	153,818	7,821,039
Right-to-use Leases Equipment	94,767	487,573	-	582,340
Total Accumulated Depreciation/Amortization	87,319,094	5,815,010	153,818	92,980,286
Total Capital Assets, being depreciated/amortized, net	$ 140,780,857	$ 2,446,728	$ -	$ 143,227,585
Capital Assets, net	$ 151,374,321	$ 17,843,567	$ 4,716,029	$ 164,501,859

Note 3 - Detailed Notes on All Funds (Continued)

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

General Support	$ 606,624
Instruction	5,208,386
Total Depreciation/Amortization Expense	$ 5,815,010

C. Accrued Liabilities

Accrued liabilities at June 30, 2025 were as follows:

	General Fund
Other	$ 744,919
Payroll and employee benefits	496,739
	$ 1,241,658

D. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Interest Rate	Maturity Date	Balance July 1, 2024	New Issues	Maturities and/or Payments	Balance June 30, 2025
District-Wide Improvements and Alterations	2023	4.50 %	July, 2024	$ 9,500,000	$ -	$ 9,500,000	$ -
District-Wide Improvements and Alterations	2024	4.3	July, 2025	-	23,500,000	-	23,500,000
				$ 9,500,000	$ 23,500,000	$ 9,500,000	$ 23,500,000

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within seven years after the original issue date. However, bond anticipation notes issued for assessable improvements projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of $378,813 were recorded in the fund financial statements in the General Fund. Interest expense of $867,237 was recorded in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

E. 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 01, 2024	Cumulative Effect of Change in Accounting Principle *	Balance, as Restated July 01, 2024	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2025	Due Within One-Year
General Obligation Bonds Payable	$ 41,010,000	$ -	$ 41,010,000	$ 33,840,000	$ 3,450,000	$ 71,400,000	$ 3,380,000
Plus - Unamortized premium on bonds	2,834,891	-	2,834,891	1,141,236	507,787	3,468,340	-
	43,844,891	-	43,844,891	34,981,236	3,957,787	74,868,340	3,380,000
Energy Performance Contract Debt Payable	5,071,877	-	5,071,877	-	1,096,410	3,975,467	1,122,435
Leases Payable	855,098	-	855,098	897,247	415,928	1,336,417	400,452
Other Non-current Liabilities:							
Compensated Absences	4,066,999	14,758,950	18,825,949	4,172,104 **	-	22,998,053	2,300,000
Net Pension Liability - ERS	3,938,736	-	3,938,736	-	59,795	3,878,941	-
Net Pension Liability - TRS	3,406,725	-	3,406,725	-	3,406,725	-	-
Other Postemployment Benefit Liability	235,680,236	-	235,680,236	6,394,961	7,614,338	234,460,859	7,834,909
Total Other Non-current Liabilities	247,092,696	14,758,950	261,851,646	10,567,065	11,080,858	261,337,853	10,134,909
Total Long-Term Liabilities	$ 296,864,562	$ 14,758,950	$ 311,623,512	$ 46,445,548	$ 16,550,983	$ 341,518,077	$ 15,037,796

*See Note 2D.
**The change in the compensated absences liability is presented as a net change.

The School District's indebtedness for general obligation bonds, energy performance contract debt payable, leases, compensated absences, net pension liability and other postemployment benefit liabilities is liquidated by the General Fund.

General Obligation Bonds Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2025
District-wide Improvements	2018	$ 26,500,000	June, 2039	3.0 %	$ 18,130,000
District-wide Improvements	2018	16,000,000	June, 2038	2.250-3.0	11,300,000
School District Refunding	2019	19,295,000	January, 2030	4.0-5.0	8,130,000
District-wide Improvements	2025	33,840,000	July, 2040	4.0	33,840,000
					$ 71,400,000

Interest expenditures of $1,314,231 were recorded in the fund financial statements in the General Fund. Interest expense of $1,091,664 was recorded in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Energy Performance Contract Debt Payable

The School District, in September 2011, entered into a $6,010,000 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provide for repayment over fifteen years, with semi-annual installments of $241,014 through December 2027. Payments include interest at 2.84%. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms.

In September 2012, the School District entered into a $5,752,450 agreement for Phase II of the energy performance enhancement. The terms of Phase II provide for repayment over 15 years, with semi-annual installments of $231,016 through December 2027. Payments include interest at 2.09%.

In August 2016, the School District entered into a $3,383,396 agreement to further upgrade energy saving equipment. The terms of this contract provide for repayment over 15 years with semi-annual installments of $130,431 through June 2032. Payments include interest at 1.9296%.

The aggregate balance due at June 30, 2025 was $3,975,467. Interest expenditures of $108,511 were recorded in the fund financial statements in the General Fund. Interest expense of $107,373 was recorded in the district-wide financial statements.

Leases Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2025
Equipment	2024	$ 944,069	2029	2.656 %	$ 673,746
Computer Equipment	2025	897,247	2028	3.067	662,671
					$ 1,336,417

Interest expenditures/expense of $20,406 were recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all outstanding bonded, energy performance contract debt and leases as of June 30, 2025 including interest payments of $19,487,023 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract Debt		Lease Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 3,380,000	$ 2,104,319	$ 1,122,435	$ 82,485	$ 400,452	$ 35,882	$ 4,902,887	$ 2,222,686
2027	5,305,000	2,393,794	1,149,097	55,824	412,001	24,333	6,866,098	2,473,951
2028	5,510,000	2,189,919	704,380	28,511	423,861	12,474	6,638,241	2,230,904
2029	5,705,000	1,994,231	242,736	18,126	100,103	778	6,047,839	2,013,135
2030	5,910,000	1,790,981	247,443	13,418	-	-	6,157,443	1,804,399
2031-2035	22,615,000	6,397,950	509,376	12,348	-	-	23,124,376	6,410,298
2036-2040	20,695,000	2,331,650	-	-	-	-	20,695,000	2,331,650
2041	2,280,000	45,600						
	$ 71,400,000	$ 19,248,444	$ 3,975,467	$ 210,712	$ 1,336,417	$ 73,467	$ 74,431,884	$ 19,487,023

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.

Compensated Absences

Pursuant to collective bargaining agreements, upon separation of service, the School District is required to compensate administrators, clerical staff and custodians for unused vacation time. For all other employees, vacation time is generally taken in the year earned. The School District is not required to compensate employees for accumulated sick leave. 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

Note 3 - Detailed Notes on All Funds (Continued)

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 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:

	Tier/Plan	Rate
ERS	2 75I	21.6%
	3 A14	17.9
	4 A15	17.9
	5 A15	15.4
	6 A15	11.4
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:

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Net pension liability (asset)	$ 3,878,941	$ (8,894,879)
School Districts' proportion of the net pension liability	0.0226233 %	0.298125 %
Change in proportion since the prior measurement date	(0.0041271) %	0.000226 %

Note 3 - Detailed Notes on All Funds (Continued)

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 asset 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 its proportionate share of pension expense in the district-wide financial statements of $6,140,063 ($1,091,065 for ERS and $5,048,998 for TRS). Pension expenditures of $7,356,726 ($1,577,247 for ERS and $5,779,479 for TRS) were charged to the General Fund.

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	$ 962,779	$ 45,415	$ 9,578,151	$ -
Changes of assumptions	162,675	-	5,320,940	895,032
Net difference between projected and actual earnings on pension plan investments	304,331	-	-	9,882,968
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,023,512	727,876	746,326	133,877
School District contributions subsequent to the measurement date	407,649	-	5,886,410	-
	$ 2,860,946	$ 773,291	$ 21,531,827	$ 10,911,877

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,540,930	$ 45,415
Changes of assumptions	5,483,615	895,032
Net difference between projected and actual earnings on pension plan investments	304,331	9,882,968
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,769,838	861,753
School District contributions subsequent to the measurement date	6,294,059	-
	$ 24,392,773	$ 11,685,168

$407,649 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 $5,886,410 reported as deferred outflows of resources related to TRS will be recognized as an increase of the

Note 3 - Detailed Notes on All Funds (Continued)

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, ERS	June 30, TRS
2025	$ -	$ (4,452,265)
2026	845,010	11,052,054
2027	1,085,306	(1,650,994)
2028	(288,386)	(1,877,723)
2029	38,076	1,216,265
Thereafter	-	446,203
	$ 1,680,006	$ 4,733,540

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:

	ERS	TRS
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

Note 3 - Detailed Notes on All Funds (Continued)

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.

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:

	ERS March 31, 2025		TRS June 30, 2024	
Asset Type	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 Strategy	3	5.25	-	-
Credit	4	5.40	-	-
Real Assets	4	5.55	-	4.4
Fixed Income	22	2.00	-	-
Cash	1	0.25	1	0.5
	100 %		100 %	

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

Note 3 - Detailed Notes on All Funds (Continued)

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 (asset) 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 (asset) 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:

	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)	$ 11,226,142	$ 3,878,941	$ (2,255,978)

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	$ 41,085,959	$ (8,894,879)	$ (50,930,104)

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

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

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.

Note 3 - Detailed Notes on All Funds (Continued)

Accrued retirement contributions as of June 30, 2025 were $407,649 to ERS and $6,657,937 to TRS, (including employee contributions of $771,527).

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.

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	396
Active employees	627
	1,023

The School District's total OPEB liability of $234,460,859 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	3.0%, average, including inflation
Discount rate	4.47%
Healthcare cost trend rates	7.0% for 2026, decreasing 0.25% per year to an ultimate rate of 4.0% for 2038 and later years
Retirees' share of benefit-related costs	Varies from 15% to 23%, depending on applicable retirement year and bargaining unit

The discount rate was based on an average of two 20-year bond indices (e.g., S&P Municipal Bond 20 Year High Grade Rate Index and Fidelity GO AA 20 Years).

Note 3 - Detailed Notes on All Funds (Continued)

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

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	$ 235,680,236
Service cost	5,553,283
Interest	10,364,726
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(9,523,048)
Benefit payments	(7,614,338)
Total OPEB Liability - End of Year	$ 234,460,859

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 (3.47%) or 1 percentage point higher (5.47%) than the current discount rate:

	1% Decrease (3.47%)	Current Discount Rate (4.47%)	1% Increase (5.47%)
Total OPEB Liability	$ 273,954,833	$ 234,460,859	$ 203,020,635

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 (6.0% decreasing to 3.0%) or 1 percentage point higher (8.0% decreasing to 5.0%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.0%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.0%)	1% Increase (8.0% decreasing to 5.0%)
Total OPEB Liability	$ 200,074,452	$ 234,460,859	$ 278,613,577

For the year ended June 30, 2025, the School District recognized OPEB expense of $18,568,258 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:

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ 3,298,275	$ 26,597,078

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

Year Ended June 30,	
2026	$ (3,219,587)
2027	(6,517,862)
2028	(6,517,860)
2029	(3,961,892)
2030	(1,721,164)
Thereafter	(1,360,438)
	$ (23,298,803)

F. Revenues and Expenditures

Interfund Transfers

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

	Transfer In		
Transfers Out	Special Aid Fund	Capital Projects Fund	Total
General Fund	$ 139,248	$ 2,088,288	$ 2,227,536

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Special Aid and Capital Projects funds expenditures.

G. 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.

Note 3 - Detailed Notes on All Funds (Continued)

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 earning.

Restricted for Future Capital Projects - the component of net position that has been established in accordance with General Municipal Law of the State of New York to set aside funds to be used for future capital projects.

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

Restricted for Tax Reduction - the component of net position that has been established in accordance with Education Law of the State of New York to provide for the reduction of school district property taxes.

Restricted for Property Loss - the component of net position that has been established in accordance with Education Law of the State of New York to set aside funds for the deductible provisions of the School District's insurance policies.

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 General Municipal Law of the State of New York.

Restricted for Liability Claims - the component of net position that has been established to set aside funds for liability claims incurred pursuant to General Municipal Law of the State of New York.

Restricted for Repairs - the component of net position that has been established in accordance with General Municipal Law of the State of New York to provide funds for the repairs to capital improvements and equipment.

Restricted for ERS Retirement Contributions - the component of net position that has been established in accordance with General Municipal Law of the State of New York Section 6r to provide funds for the purpose of paying retirement contributions to the New York State and Local Employees' Retirement System.

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.

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".

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:				
Inventories	$ -	$ -	$ 3,471	$ 3,471
Restricted:				
Tax certiorari	1,454,684	-	-	1,454,684
Tax reduction	5,350	-	-	5,350
Property loss	67,531	-	-	67,531
Insurance	240,644	-	-	240,644
Liability claims	250,147	-	-	250,147
Employee benefit accrued liability	2,687,795	-	-	2,687,795
Repairs	6,483	-	-	6,483
ERS retirement contributions	3,356,866	-	-	3,356,866
Debt service	3,106,757	-	-	3,106,757
Capital projects	-	9,620,519	-	9,620,519
Future capital projects	1,046,859	-	-	1,046,859
Special purposes - extraclassroom activities	-	-	118,939	118,939
Special purposes - other	-	-	221,778	221,778
Total Restricted	12,223,116	9,620,519	340,717	22,184,352
Assigned:				
Purchases on order:				
General government support	423,030	-	-	423,030
Instruction	538,412	-	-	538,412
Pupil transportation	24,000	-	-	24,000
	985,442	-	-	985,442
For subsequent year's expenditures -				
General Fund	2,500,000	-	-	2,500,000
School Lunch Fund	-	-	374,468	374,468
	2,500,000	-	374,468	2,874,468
Total Assigned	3,485,442	-	374,468	3,859,910
Unassigned	5,768,001	-	-	5,768,001
Total Fund Balances (Deficits)	$ 21,476,559	$ 9,620,519	$ 718,656	$ 31,815,734

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.

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.

Note 3 - Detailed Notes on All Funds (Continued)

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.

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

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

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

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. Accordingly, the School District's compliance with applicable grant requirements will be established at a future date. 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 other school districts have formed a reciprocal insurance company to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

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

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Westchester-Putnam 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 Northern Westchester and Putnam Counties participate in the Northern Westchester – Putnam School Cooperative Medical Expense Benefit Plan. The Plan operates under an agreement dated February 17, 1987. The purposes of the Plan are to provide for the efficient and economical evaluation, processing, administration and payment of claims against Plan members for medical expenses through self-insurance and to provide for centralized administration, funding and disbursements for such services. The governance of the Plan rests in the Board of Trustees, which shall consist of five Trustees selected by the Plan members. A majority of the total number of Trustees shall be required to take any actions. The billings are based upon coverages provided each participant's employees. The School District has transferred all related risk to the Plan.

Note 5 - 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

Note 5 - Recently Issued GASB Pronouncements (Continued)

carrying amount of any pledged debt related to those assets. This Statement affects only presentation and disclosure of capital assets, not recognition or measurement requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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 of this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

* * * * *

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	$ 5,553,283	$ 5,956,195	$ 6,130,071
Interest	10,364,726	9,285,531	9,139,904
Difference between expected and actual experience	-	-	-
Changes of benefit terms	-	-	-
Changes of assumptions or other inputs	(9,523,048)	(2,525,115)	(15,685,094)
Benefit payments	(7,614,338)	(7,025,503)	(6,705,790)
Net Change in Total OPEB Liability	(1,219,377)	5,691,108	(7,120,909)
Total OPEB Liability – Beginning of Year	235,680,236	229,989,128	237,110,037
Total OPEB Liability – End of Year	$ 234,460,859	$ 235,680,236	$ 229,989,128
School District's covered - employee payroll	$ 67,588,172	$ 67,042,792	$ 65,795,406
Total OPEB liability as a percentage of covered - employee payroll	347%	352%	350%
Discount Rate	4.47%	4.10%	3.91%

(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.

See independent auditors' report.

2022	2021	2020	2019	2018	
$ 6,049,375	$ 2,922,578	$ 2,824,382	$ 2,527,367	$ 2,194,861	
9,161,505	4,654,316	4,782,622	6,292,489	6,710,502	
-	-	-	-	-	
-	-	-	-	-	
(17,891,774)	19,789,645	35,219,027	(5,478,137)	-	
(6,439,609)	(5,540,218)	(4,737,600)	(4,578,919)	(5,434,577)	
(9,120,503)	21,826,321	38,088,431	(1,237,200)	3,470,786	
246,230,540	224,404,219	186,315,788	187,552,988	184,082,202	(3)
$ 237,110,037	$ 246,230,540	$ 224,404,219	$ 186,315,788	$ 187,552,988	
$ 64,251,967	$ 63,435,837	$ 60,717,351	$ 60,350,801	$ 58,345,696	
369%	388%	370%	309%	321%	
3.77%	2.10%	2.60%	3.50%	3.70%	

Chappaqua Central School District, 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 (3)
School District's proportion of the net pension liability (asset)	0.298125%	0.297899%	0.309997%	0.316052%
School District's proportionate share of the net pension liability (asset)	$ (8,894,879)	$ 3,406,725	$ 5,948,507	$ (54,768,846)
School District's covered payroll	$ 57,972,956	$ 56,163,355	$ 56,409,316	$ 54,805,856
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(15.34%)	6.07%	10.55%	(99.93%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	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	$ 5,886,410	$ 5,658,160	$ 5,779,212	$ 5,528,113
Contributions in relation to the contractually required contribution	(5,886,410)	(5,658,160)	(5,779,212)	(5,528,113)
Contribution excess	$ -	$ -	$ -	$ -
School District's covered payroll	$ 58,223,635	$ 57,972,956	$ 56,163,355	$ 56,409,316
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 (2)	2020	2019	2018 (3)	2017 (2)	2016
0.310522%	0.314661%	0.310676%	0.316707%	0.323428%	0.331148%
$ 8,580,557	$ (8,174,903)	$ (5,617,846)	$ (2,407,289)	$ 3,464,044	$ (34,395,696)
$ 53,503,555	$ 53,775,744	$ 51,600,127	$ 53,093,788	$ 50,729,623	$ 50,609,401
16.04%	(15.20%)	(10.89%)	(4.53%)	6.83%	(67.96%)
97.80%	102.17%	101.53%	100.66%	99.01%	110.46%
7.10%	7.10%	7.25%	7.25%	7.25%	8.00%

2021	2020	2019	2018	2017	2016
$ 5,222,998	$ 4,740,415	$ 5,710,984	$ 5,056,812	$ 6,222,592	$ 6,726,748
(5,222,998)	(4,740,415)	(5,710,984)	(5,056,812)	(6,222,592)	(6,726,748)
$ -	$ -	$ -	$ -	$ -	$ -
$ 54,805,856	$ 53,503,555	$ 53,775,744	$ 51,600,127	$ 53,093,788	$ 50,729,623
9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

Chappaqua Central School District, 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)

	2025	2024	2023 (2)	2022 (3)
School District's proportion of the net pension liability (asset)	0.0226233%	0.0267504%	0.0258484%	0.0271286%
School District's proportionate share of the net pension liability (asset)	$ 3,878,941	$ 3,938,736	$ 5,542,949	$ (2,217,650)
School District's covered payroll	$ 11,345,387	$ 10,153,002	$ 10,676,211	$ 8,072,539
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	34.19%	38.79%	51.92%	(27.47%)
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	$ 1,548,672	$ 1,373,863	$ 1,051,231	$ 1,619,629
Contributions in relation to the contractually required contribution	(1,548,672)	(1,373,863)	(1,051,231)	(1,619,629)
Contribution excess	$ -	$ -	$ -	$ -
School District's covered payroll	$ 9,801,233	$ 10,136,577	$ 10,324,482	$ 8,425,206
Contributions as a percentage of covered payroll	15.80%	13.55%	10.18%	19.22%

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

2021 (3)	2020(2)	2019	2018	2017	2016
0.0260603%	0.0259729%	0.0268587%	0.0272551%	0.0325663%	0.0323534%
$ 26,365	$ 6,877,759	$ 1,902,936	$ 879,674	$ 2,561,529	$ 4,413,891
$ 9,702,961	$ 9,910,368	$ 9,599,579	$ 9,454,210	$ 10,351,599	$ 9,891,195
0.27%	69.40%	19.82%	9.30%	24.75%	44.62%
99.95%	86.39%	96.27%	98.24%	94.70%	90.70%
5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

2021	2020	2019	2018	2017	2016
$ 1,468,264	$ 1,395,962	$ 1,420,933	$ 1,692,938	$ 1,625,564	$ 1,554,491
(1,468,264)	(1,395,962)	(1,420,933)	(1,692,938)	(1,625,564)	(1,554,491)
$ -	$ -	$ -	$ -	$ -	$ -
$ 10,010,921	$ 9,784,798	$ 9,687,278	$ 9,482,190	$ 9,438,329	$ 9,048,078
14.67%	14.27%	14.67%	17.85%	17.22%	17.18%

Chappaqua Central School District, New York

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

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
REVENUES					
Real property taxes	$ 119,979,667	$ 119,979,667	$ 119,979,668	$	$ 1
Other tax items	1,759,316	1,759,316	1,759,316		-
Non-property taxes	1,836,001	1,836,001	1,785,248		(50,753)
Charges for services	727,815	730,133	611,823		(118,310)
Use of money and property	970,000	970,000	2,699,913		1,729,913
Sale of property and compensation for loss	85,000	85,000	29,285		(55,715)
State aid	12,400,660	12,450,660	12,719,218		268,558
Federal aid	-	-	143,238		143,238
Miscellaneous	261,000	270,065	713,082		443,017
Total Revenues	138,019,459	138,080,842	140,440,791		2,359,949
EXPENDITURES					
Current					
General support					
Board of education	65,516	65,532	54,472	347	10,713
Central administration	469,424	504,336	485,584	-	18,752
Finance	1,305,143	1,363,165	1,332,110	6,985	24,070
Staff	1,284,834	1,332,242	1,254,415	49,466	28,361
Central services	11,779,198	11,761,847	11,140,512	366,232	255,103
Special items	1,978,525	3,080,082	3,031,841	-	48,241
Total General Support	16,882,640	18,107,204	17,298,934	423,030	385,240
Instruction					
Instruction, administration and improvement	5,979,133	5,748,026	5,628,242	6,553	113,231
Teaching - Regular school	42,545,405	42,707,387	42,254,359	24,893	428,135
Programs for students with disabilities	13,956,584	14,265,577	13,914,550	64	350,963
Teaching - Special schools	324,275	282,722	256,766	-	25,956
Instructional media	5,038,274	5,806,891	5,320,465	464,581	21,845
Pupil services	7,692,353	8,080,065	7,798,388	42,321	239,356
Total Instruction	75,536,024	76,890,668	75,172,770	538,412	1,179,486
Pupil transportation	7,942,436	7,810,001	7,648,120	24,000	137,881
Community services	20,000	24,000	23,970	-	30
Employee benefits	31,922,626	30,659,645	30,396,504	-	263,141
Debt service					
Principal	5,406,410	4,975,299	4,962,338	-	12,961
Interest	1,801,555	1,821,961	1,821,961	-	-
Total Expenditures	139,511,691	140,288,778	137,324,597	985,442	1,978,739
Excess (Deficiency) of Revenues Over Expenditures	(1,492,232)	(2,207,936)	3,116,194	(985,442)	4,338,688
OTHER FINANCING SOURCES (USES)					
Issuance premium	-	-	1,141,236	-	1,141,236
Transfers out	(2,021,187)	(2,308,992)	(2,227,536)	-	81,456
Total Other Financing Uses	(2,021,187)	(2,308,992)	(1,086,300)	-	1,222,692
Net Change in Fund Balance	(3,513,419)	(4,516,928)	2,029,894	$ (985,442)	$ 5,561,380
FUND BALANCE					
Beginning of Year	3,513,419	4,516,928	19,446,665		
End of Year	$ -	$ -	$ 21,476,559		

See independent auditors' report.

Chappaqua Central School District, 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	$ 119,979,667	$ 119,979,667	$ 119,979,668	$ 1
OTHER TAX ITEMS				
School tax relief reimbursement	1,759,316	1,759,316	1,759,316	-
NON-PROPERTY TAXES				
Non-property tax distribution from County	1,836,001	1,836,001	1,785,248	(50,753)
CHARGES FOR SERVICES				
Continuing education tuition	351,000	351,000	260,073	(90,927)
Cultural arts	225,000	227,318	236,447	9,129
Other student fees and charges	151,815	151,815	115,303	(36,512)
	727,815	730,133	611,823	(118,310)
USE OF MONEY AND PROPERTY				
Earnings on investments	895,000	895,000	2,597,991	1,702,991
Rental of real property	75,000	75,000	101,063	26,063
Commissions	-	-	859	859
	970,000	970,000	2,699,913	1,729,913
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of equipment	85,000	85,000	9,020	(75,980)
Other compensation for loss	-	-	20,265	20,265
	85,000	85,000	29,285	(55,715)
STATE AID				
Basic formula	10,612,249	10,612,249	7,729,150	(2,883,099)
BOCES	1,470,152	1,470,152	1,984,985	514,833
Lottery	-	-	2,651,094	2,651,094
Textbooks	214,477	214,477	158,728	(55,749)
Computer software aid	81,488	81,488	81,512	24
Library aid	22,294	22,294	22,300	6
Homeless aid	-	50,000	91,449	41,449
	12,400,660	12,450,660	12,719,218	268,558
FEDERAL AID				
Emergency management assistance	-	-	115,049	115,049
Medical assistance	-	-	28,189	28,189
	-	-	143,238	143,238
MISCELLANEOUS				
Refund of prior year's expenditures	150,000	150,000	420,467	270,467
Refund of BOCES aided services	55,000	55,000	205,474	150,474
Gifts and donations	-	9,065	10,896	1,831
Other	56,000	56,000	76,245	20,245
	261,000	270,065	713,082	443,017
TOTAL REVENUES	138,019,459	138,080,842	140,440,791	2,359,949
OTHER FINANCING SOURCES				
Issuance premium	-	-	1,141,236	1,141,236
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 138,019,459	$ 138,080,842	$ 141,582,027	$ 3,501,185

See independent auditors' report.

Chappaqua Central School District, New York

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

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	$ 21,000	$ 21,000	$ 17,466	$ 347	$ 3,187
District clerk	22,916	22,932	22,248	-	684
District meeting	21,600	21,600	14,758	-	6,842
Total Board of Education	65,516	65,532	54,472	347	10,713
CENTRAL ADMINISTRATION					
Chief school administrator	469,424	504,336	485,584	-	18,752
FINANCE					
Business administration	1,197,064	1,255,086	1,229,712	5,773	19,601
Accounting and auditing	108,079	108,079	102,398	1,212	4,469
Total Finance	1,305,143	1,363,165	1,332,110	6,985	24,070
STAFF					
Legal	425,000	503,842	464,502	29,382	9,958
Personnel	757,855	726,197	707,474	4,568	14,155
Public information and services	101,979	102,203	82,439	15,516	4,248
Total Staff	1,284,834	1,332,242	1,254,415	49,466	28,361
CENTRAL SERVICES					
Operation of plant	8,295,137	8,174,809	7,900,489	54,120	220,200
Maintenance of plant	3,484,061	3,587,038	3,240,023	312,112	34,903
Total Central Services	11,779,198	11,761,847	11,140,512	366,232	255,103
SPECIAL ITEMS					
Unallocated insurance	705,000	759,721	759,702	-	19
Judgments and claims	250,000	574,097	574,097	-	-
School association dues	23,500	24,500	24,190	-	310
Assessments on school property	70,000	76,035	76,035	-	-
Refunds of real property taxes	50,000	765,704	717,793	-	47,911
Administrative charge - BOCES	880,025	880,025	880,024	-	1
Total Special Items	1,978,525	3,080,082	3,031,841	-	48,241
Total General Support	16,882,640	18,107,204	17,298,934	423,030	385,240
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	1,648,318	1,532,479	1,441,782	6,553	84,144
Supervision - Regular school	4,265,815	4,210,547	4,186,460	-	24,087
Research, planning and evaluation	65,000	5,000	-	-	5,000
Total Instruction, Administration and Improvement	5,979,133	5,748,026	5,628,242	6,553	113,231

(Continued)

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
INSTRUCTION (Continued)					
TEACHING - REGULAR SCHOOL	$ 42,545,405	$ 42,707,387	$ 42,254,359	$ 24,893	$ 428,135
PROGRAMS FOR STUDENTS WITH DISABILITIES	13,956,584	14,265,577	13,914,550	64	350,963
TEACHING - SPECIAL SCHOOLS	324,275	282,722	256,766	-	25,956
INSTRUCTIONAL MEDIA					
School library and audiovisual	1,218,529	1,134,914	1,112,749	6,982	15,183
Computer assisted instruction	3,819,745	4,671,977	4,207,716	457,599	6,662
Total Instructional Media	5,038,274	5,806,891	5,320,465	464,581	21,845
PUPIL SERVICES					
Attendance - Regular school	54,440	54,440	52,327	-	2,113
Guidance - Regular school	2,609,950	2,569,687	2,540,860	-	28,827
Health services - Regular school	882,218	1,158,684	1,110,937	-	47,747
Psychological services - Regular school	1,710,389	1,605,401	1,556,012	-	49,389
Co-curricular activities - Regular school	513,213	511,276	481,939	1,732	27,605
Interscholastic athletics - Regular school	1,922,143	2,180,577	2,056,313	40,589	83,675
Total Pupil Services	7,692,353	8,080,065	7,798,388	42,321	239,356
Total Instruction	75,536,024	76,890,668	75,172,770	538,412	1,179,486
PUPIL TRANSPORTATION					
Contract and public carrier transportation	7,942,436	7,810,001	7,648,120	24,000	137,881
COMMUNITY SERVICES					
Census	20,000	24,000	23,970	-	30
EMPLOYEE BENEFITS					
State retirement	1,621,000	1,593,216	1,577,247	-	15,969
Teachers' retirement	5,799,565	5,784,023	5,779,479	-	4,544
Social security	5,393,000	4,982,748	4,960,051	-	22,697
Hospital and medical insurance	17,650,037	16,813,826	16,661,826	-	152,000
Dental and vision insurance	115,907	121,360	120,824	-	536
Workers' compensation benefits	310,000	310,000	293,568	-	16,432
Unemployment benefits	50,000	50,000	20,870	-	29,130
Disability insurance	20,852	20,852	17,441	-	3,411
Life insurance	16,500	16,900	16,853	-	47
Union welfare benefits	902,265	820,055	813,869	-	6,186
Other benefits	43,500	146,665	134,476	-	12,189
Total Employee Benefits	31,922,626	30,659,645	30,396,504	-	263,141
DEBT SERVICE					
Principal					
Serial bonds	3,450,000	3,450,000	3,450,000	-	-
Energy performance contract debt	1,096,410	1,096,410	1,096,410	-	-
Leases	-	415,928	415,928	-	-
Installment purchase debt	860,000	12,961	-	-	12,961
	5,406,410	4,975,299	4,962,338	-	12,961

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

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
Interest					
Serial bonds	$ 1,314,231	$ 1,314,231	$ 1,314,231	$ -	$ -
Energy performance contract debt	108,511	108,511	108,511	-	-
Leases	-	20,406	20,406	-	-
Bond anticipation note	378,813	378,813	378,813	-	-
	1,801,555	1,821,961	1,821,961	-	-
Total Debt Service	7,207,965	6,797,260	6,784,299	-	12,961
TOTAL EXPENDITURES	139,511,691	140,288,778	137,324,597	985,442	1,978,739
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	150,000	150,000	139,248	-	10,752
Capital Projects Fund	1,871,187	2,158,992	2,088,288	-	70,704
TOTAL OTHER FINANCING USES	2,021,187	2,308,992	2,227,536	-	81,456
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 141,532,878	$ 142,597,770	$ 139,552,133	$ 985,442	$ 2,060,195

See independent auditors' report.

Chappaqua Central School District, New York

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

PROJECT	Authorization	Expenditures and Transfers to Date: Prior Years	Expenditures and Transfers to Date: Current Year	Expenditures and Transfers to Date: Total	Unexpended Balance
School - Wide Improvements	$ 43,140,565	$ 42,908,315	$ -	$ 42,908,315	$ 232,250
Bell Cafeteria	390,000	332,065	-	332,065	57,935
District-Wide Improvements and Alterations	33,985,000	9,549,825	15,396,838	24,946,663	9,038,337
2024 District-Wide Improvements	4,408,992	2,194,773	1,651,291	3,846,064	562,928
2025 Apple Equipment Lease	897,247	-	897,247	897,247	-
Totals	$ 82,821,804	$ 54,984,978	$ 17,945,376	$ 72,930,354	$ 9,891,450

See independent auditors' report.

Methods of Financing					
Proceeds of Obligations	Transfers	Miscellaneous	Totals	Fund Balance at June 30, 2025	Bond Anticipation Notes Payable at June 30, 2025
$ 42,500,000	$ 275,000	$ 365,565	$ 43,140,565	$ 232,250	$ -
-	390,000	-	390,000	57,935	-
33,840,000	-	-	33,840,000	8,893,337	23,500,000
-	4,283,061	-	4,283,061	436,997	-
897,247	-	-	897,247	-	-
$ 77,237,247	$ 4,948,061	$ 365,565	$ 82,550,873	$ 9,620,519	$ 23,500,000

Chappaqua Central School District, 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	$ 97,861	$ 342,329	$ 440,190
Investments	302,575	-	302,575
	400,436	342,329	742,765
Receivables			
State and Federal aid	15,609	-	15,609
Due from other funds	81,753	-	81,753
	97,362	-	97,362
Inventories	3,471	-	3,471
Total Assets	$ 501,269	$ 342,329	$ 843,598
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 1,955	$ 100	$ 2,055
Due to other funds	-	1,512	1,512
Unearned revenues	121,375	-	121,375
Total Liabilities	123,330	1,612	124,942
Fund balances			
Nonspendable	3,471	-	3,471
Restricted	-	340,717	340,717
Assigned	374,468	-	374,468
Total Fund Balances	377,939	340,717	718,656
Total Liabilities and Fund Balances	$ 501,269	$ 342,329	$ 843,598

See independent auditors' report.

Chappaqua Central School District, 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			
Use of money and property	$ 11,349	$ -	$ 11,349
State aid	16,088	-	16,088
Federal aid	331,917	-	331,917
Food sales	1,797,781	-	1,797,781
Miscellaneous	30	485,310	485,340
Total Revenues	2,157,165	485,310	2,642,475
EXPENDITURES			
Current			
Cost of food sales	2,134,862	-	2,134,862
Other	-	382,865	382,865
Total Expenditures	2,134,862	382,865	2,517,727
Excess of Revenues Over Expenditures	22,303	102,445	124,748
FUND BALANCES			
Beginning of Year	355,636	238,272	593,908
End of Year	$ 377,939	$ 340,717	$ 718,656

See independent auditors' report.

Chappaqua Central School District, New York

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

Adopted Budget		$ 140,747,738
Additions		
Encumbrances		785,140
Original Budget		141,532,878
Budget Amendments		1,064,892
Final Budget		$ 142,597,770

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

2025-26 Expenditure Budget		$ 144,392,025
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	$ 3,485,442	
Unassigned fund balance	5,768,001	
Total Unrestricted Fund Balance	9,253,443	
Less		
Appropriated for subsequent year's budget	2,500,000	
Encumbrances	985,442	
Total Adjustments	3,485,442	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 5,768,001
Actual Percentage		3.99%

See independent auditors' report.

Chappaqua Central School District, New York

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

Capital Assets, net		$ 164,501,859
Less		
Accounts Payable	$ (604,675)	
General Obligation Bonds Payable	(71,400,000)	
Energy Performance Contract Debt Payable	(3,975,467)	
Leases Payable	(1,336,417)	
Unamortized Portion of Premium	(3,468,340)	(80,784,899)
Plus		
Unexpended Debt Proceeds	9,498,012	
Unamortized Portion of Loss on Refunding Bonds	664,972	10,162,984
Net Investment in Capital Assets		$ 93,879,944

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PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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
Chappaqua Central School District, 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 Chappaqua Central School District, 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 September 29, 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 function, 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 School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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
September 29, 2025