

**Croton-Harmon Union Free
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2025

Croton-Harmon Union Free School District, New York

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Independent Auditors' Report

**The Board of Education of the
Croton-Harmon Union Free 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 Croton-Harmon Union Free 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 School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Change in Accounting Policy

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2025 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 for the year ended June 30, 2025, 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 for the year ended June 30, 2025 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2025.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the basic financial statements of the School District as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated October 10, 2024 which contained unmodified on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2024 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 related directly to the underlying accounting and other records used to prepare the 2024 financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 for the year ended June 30, 2024.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2025, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 9, 2025

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Croton-Harmon Union Free School District, New York

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

Introduction

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

Financial Highlights

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

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget. At the end of the current fiscal year, this amount for the General Fund was \$2,439,842 or 4.00%. This is within the 4% statutory limit.
- At the close of the current fiscal year, the School District's governmental funds financial statement shows a combined ending fund balance of \$1,991,604 a decrease of \$21,117,978 from the prior year. The net decrease represented a decrease in the Capital Projects fund balance of \$22,302,484 as a result in capital outlay expenditures.
- During the current fiscal year, the School District retired \$1,930,000 of serial bonds issued in previous years for various capital projects. The School District also retired \$531,643 of energy performance contract debt.
- On the district-wide financial statements, the assets and deferred outflows of resources of the District exceeded the liabilities and deferred inflows of resources at the close of its most recent fiscal year by \$27,338,159. The increase is largely related to non-operational accounting requirements including additions to capital assets.
- For the year ended June 30, 2025, the School District's OPEB liability of \$56,699,896 is reflected on the district-wide Statement of Net Position and impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", is presented in Note 3E in the notes to the financial statements.
- The district-wide financial statements for the year ended June 30, 2025 are also significantly impacted by the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*." This pronouncement established accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Under this standard, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At June 30, 2025, the School District reported in its Statement of Net Position a liability for its proportionate share of the ERS net pension liability of \$2,828,453 and \$3,241,737 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.

- The School District reviewed the provisions of GASB Statement No. 96, “*Subscription-Based Information Technology Arrangements*” (SBITA’s) and its impact on the School District’s financial statements for the fiscal year ended June 30, 2025. Upon review of the School District’s SBITA’s, we have determined that none meet the criteria for accounting in accordance with the requirements of GASB Statement No. 96.

Overview of the Financial Statements

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

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District’s finances, in a manner similar to a private-sector business.
- The *statement of net position* presents information on all of the School District’s assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
- The *statement of activities* presents information showing how the School District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *governmental* activities of the School District include instruction, pupil transportation, 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 six individual governmental funds, General Fund, Special Aid Fund, Capital Projects Fund, School Lunch Fund, Miscellaneous Special Revenue Fund and Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid and the Capital Projects funds, which are considered to be major funds. Data for the other three 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.

Notes to Financial Statements

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

Other Information

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

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Croton-Harmon Union Free School District, New York at the close of the current fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$27,338,159.

	June 30,	
	2025	2024
Current Assets	\$ 55,037,343	\$ 56,098,561
Capital Assets, net	93,950,108	71,774,510
Total Assets	148,987,451	127,873,071
Deferred Outflows of Resources	15,155,246	18,519,536
Current Liabilities	49,845,838	33,060,120
Long-term Liabilities	74,857,806	77,875,688
Total Liabilities	124,703,644	110,935,808
Deferred Inflows of Resources	12,100,894	4,861,424
Net Position		
Net Investment in Capital Assets	58,228,485	55,279,016
Restricted		
Capital Projects	385,000	819,244
Capital improvements	9,597,673	9,837,037
Debt Service	1,359,040	426,054
Repairs	262,315	250,750
Tax Certiorari	2,737,621	2,617,021
Workers' Compensation Benefits	407,689	387,445
Employee benefit	-	45,128
ERS Retirement contribution	2,054,165	1,981,237
TRS retirement contribution	2,374,795	1,861,339
Unemployment insurance	225,410	215,472
Insurance	1,326,506	981,498
Special revenues	189,822	203,210
Unrestricted	(51,810,362)	(44,309,076)
Total Net Position	\$ 27,338,159	\$ 30,595,375

Total assets increased by \$21,114,380. The increase is largely related to non-operational accounting requirements including the additions to capital assets resulting from the 2022 Future Facilities Project.

Total liabilities, which consist primarily of general obligation bonds, energy performance contract debt, and lease liability increased by \$13,767,836 from the previous year. This increase is mainly attributable to the increase in the bond anticipation notes payable in the Capital Projects Fund.

A large component of the School District's net position (\$58,228,485) reflects its investment in capital assets, less any related debt that is still outstanding that was used to acquire those assets. The School District uses these capital assets to provide services to students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions listed above constitute \$20,920,036 of net position and 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 \$51,810,362 primarily a result of the recognition of the OPEB liabilities. Overall, net position increased by \$712,448 mostly as a result of an increase in capital assets due to construction and an increase in reserves as a result of operations.

Changes in Net Position

	June 30,	
	2025	2024
REVENUES		
Program Revenues		
Charges for Services	\$ 878,311	\$ 820,161
Operating Grants and Contributions	1,611,205	1,776,990
Capital Grants and Contributions	571,943	184,381
	3,061,459	2,781,532
General Revenues		
Real Property Taxes	42,403,549	41,294,730
Other Tax Items	1,858,820	2,041,451
Non-Property Taxes	1,025,492	1,024,438
Unrestricted Use of Money and Property	1,076,919	1,267,926
Sale of Property and Compensation for Loss	149,586	88,468
State aid	9,366,861	9,890,407
Miscellaneous	242,812	409,499
	56,124,039	56,016,919
Total General Revenues	56,124,039	56,016,919
Total Revenues	59,185,498	58,798,451
PROGRAM EXPENSES		
General Support	9,039,985	9,077,114
Instruction	42,789,848	43,299,497
Pupil Transportation	4,175,269	3,980,320
Cost of Food Sales	954,172	935,740
Other	202,775	165,949
Interest	1,311,001	573,675
	58,473,050	58,032,295
Total Expenses	58,473,050	58,032,295
Change in Net Position	712,448	766,156
NET POSITION		
Beginning	30,595,375	29,829,219
Cumulative Effect of Change of Accounting Principle*	(3,969,664)	-
Beginning, as restated	26,625,711	29,829,219
Ending	\$ 27,338,159	\$ 30,595,375

*Compensated Absences

The following are the major changes in Net Position:

Revenues:

- Real property taxes increased by \$1,108,819 or 2.69%. The School District relies upon real property taxes as its primary source of revenue. Non-property revenues and assigned fund balance are the other

revenue sources used to bring the budget into balance. The current property tax increase is within the Allowable Tax Levy and is attributed to levy growth factors and the capital exclusion for debt service.

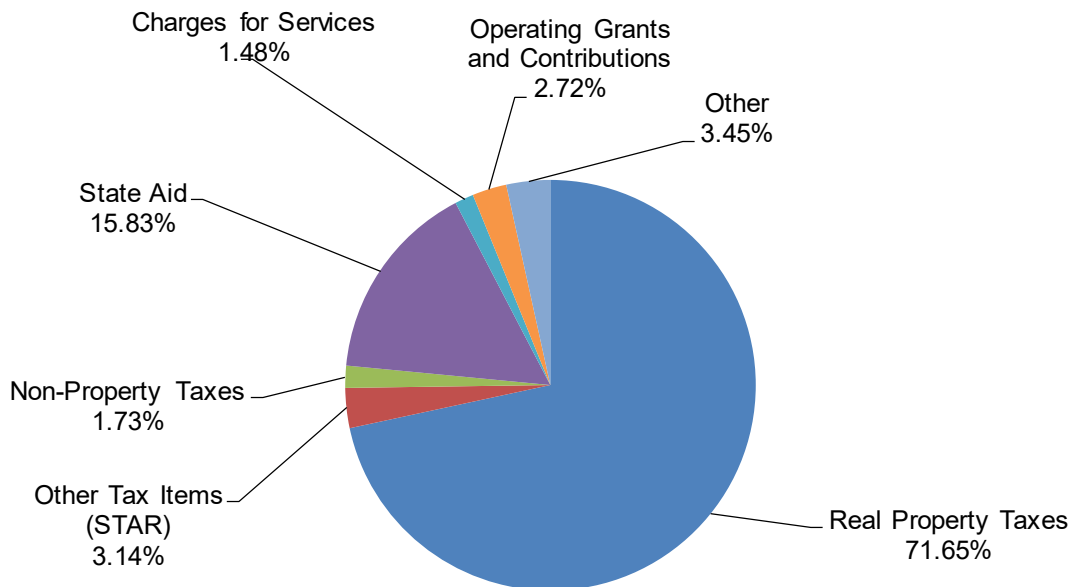
- Other tax items include revenues received for the School Tax Relief Reimbursement Program (“STAR”). The STAR Program provides tax relief to homeowners by decreasing the assessments taxable to the homeowner or by providing a refund of a portion of school taxes paid. As a result of changes to the NYS law, this revenue decreased by \$182,631 or 8.95% during the 2024-2025 fiscal year shifting this burden from the state to the taxpayers since 2015-2016 fiscal year.
- Unrestricted State aid decreased by \$523,546 or 5.29%, as a result of decreases in Building Aid.

Expenses:

- Instructional program expenses decreased by \$509,649 or 1.18% from the prior year. This is primarily the result of the NYS net pension asset assumptions which reclassified TRS from a net pension liability to a net pension asset.
- Interest expenses grew by \$737,326, or 128.53%, due to increased borrowing to support capital project advancement resulting in greater expenditure obligations.
- The District’s chose to make a larger principal paydown on our capital BAN. While this resulted in a higher principal expense in the current year, it reduces future interest obligations and supports long-term savings for the District.

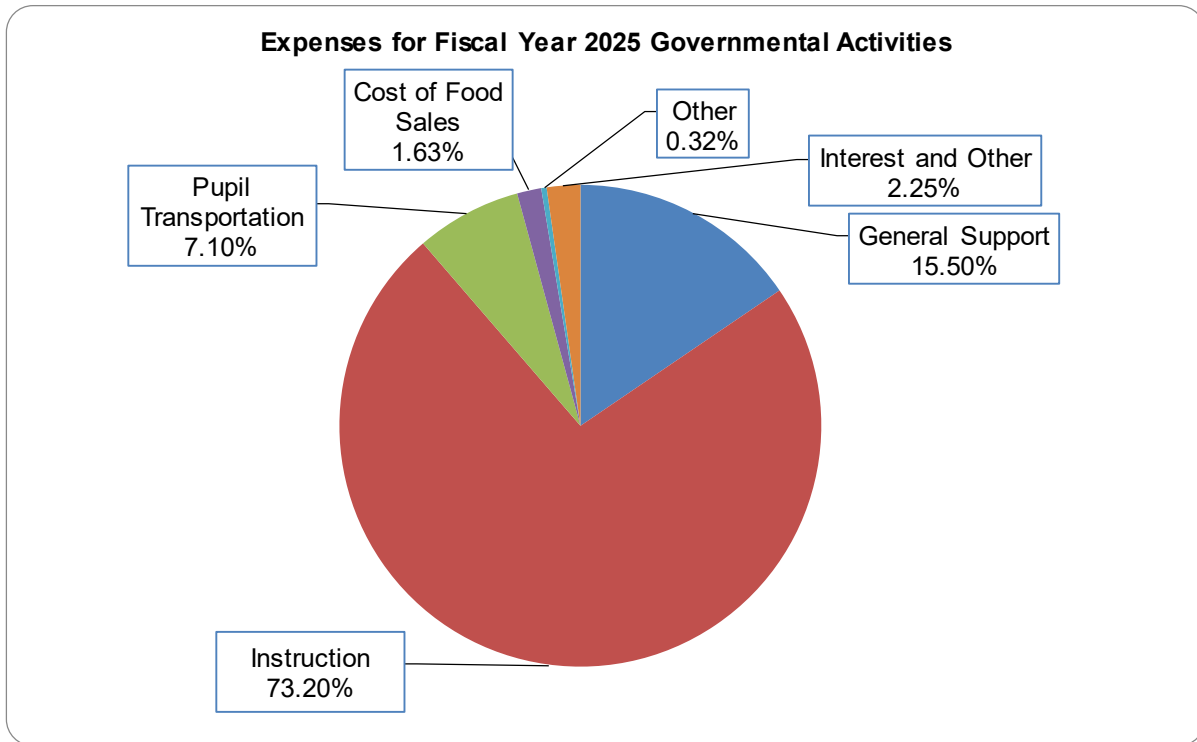
The following graphs depict where the School District revenues were derived and how monies were spent. As you can see, the district relies on real property taxes for 71.65% of its revenue, while the School Districts largest expense, instructional costs, accounts for 73.2% of total expenses.

Sources of Revenue for Fiscal Year 2025 Governmental Activities



- Real property taxes account for 71.65% of the School District’s revenue. The enactment of the property tax levy limit legislation, more commonly referred to as the “tax cap”, limits the School District’s ability to generate additional revenues from its main revenue source.

- State Aid accounts for the next largest revenue component, accounting for 15.83% of the School District’s revenue. As part of New York State’s 2021-22 budget, it committed a three year phase-in of Foundation Aid which it concluded in the 2024-25 fiscal year.



- The School District’s instruction costs account for 73.20% of its expenditures. General support costs and transportation costs comprise the next two largest expenditures at 15.50% and 7.10%, respectively.

Financial Analysis of the School District’s Funds

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

Governmental Funds

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

- As of the end of the current fiscal year, the School District’s governmental funds reported combined fund balances of \$1,991,604. This is a net decrease of \$21,117,978 from the prior year due to increased capital outlay expenditures, thus reducing the Capital Projects fund balance by \$22,302,484. The total governmental fund balance of \$1,991,604 consists of the following:

Nonspendable:		
	Prepaid expenditures	\$ 3,107
	Inventories	6,412
		<hr/>
Total Nonspendable		9,519
		<hr/>
Restricted:		
	Workers' Compensation	407,689
	Unemployment Benefits	225,410
	Tax Certiorari	1,937,621
	Tax Certiorari - for	
	subsequent year's expenditures	800,000
	ERS Retirement Contributions	1,854,165
	ERS for subsequent year's expenditures	200,000
	TRS Retirement Contributions	2,174,795
	TRS for subsequent year's expenditures	200,000
	Employee benefit accrued liability	546,093
	Repair	262,315
	Insurance losses	1,326,506
	Capital Projects	9,597,673
	Debt Service	1,359,040
	Special revenues - extraclassroom activities	132,467
	Special revenues - other	57,355
		<hr/>
Total Restricted		21,081,129
		<hr/>
Assigned:		
	Purchases On Order:	
	General Government Support	942,829
	Instruction	95,899
		<hr/>
		1,038,728
		<hr/>
General Fund		2,465,615
School Lunch Fund		58,226
		<hr/>
Total Assigned		3,562,569
		<hr/>
Unassigned		(22,661,613)
		<hr/>
	Total Fund Balances	\$ 1,991,604
		<hr/> <hr/>

Fund Balance Reporting

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$25,479,559. This represents an increase of \$258,210 from the prior year. This is a result of interest revenue and sales tax revenue higher than budgeted and benefits expenditures lower than budgeted. The surplus was allocated to various restricted components of fund balance, where appropriate, and the balance is in the unassigned fund balance. The amount of the unassigned fund balance is \$2,439,842 or 4.0% of the ensuing year's budget. The District is in compliance with NYS Real Property Tax Law §1318.

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements beginning with the period ending June 30, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Note: According to the Office of the State Comptroller, school districts in New York will not have committed fund balance to report.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. According to GASB, this pronouncement should result in an improvement in the usefulness of fund balance information.

More detailed information about the School District's governmental fund balances is presented in Note 3H in the notes to financial statements.

General Fund Budgetary Highlights – 2024-2025

The General Fund is the primary operating fund of the District. The original, voter approved adopted budget of \$58,798,307 was increased by \$902,272 as a result of the rollover of prior year encumbrances for a total original budget of \$59,700,579. The budget was further revised and increased during the 2024-2025 fiscal year by a total of \$2,723,284. Of this amount, as approved by voters on May 20, 2025, \$385,000 was appropriated from the General Fund to fund the purchase of vehicles, \$1,528,871 was related to the 2022 Capital Building Improvements, and \$443,997 allocated to the Capital Transportation Reserve for the purchase of one EV 66-passenger bus. As a result, the final budget totaled \$62,423,863.

Actual revenues and other financing sources were greater than the final budgeted expenses by \$258,210. This was primarily due to an increase in State Aid and interest revenue realized after the budget process concluded. Most other revenue categories had slight budget variances. The district continues to keep fiscal

constraints on purchases through the use of mid-year spending moratoriums each year. For the current fiscal year, the District appropriated \$2,465,615 of fund balance to balance the budget and maintain instructional programs. This amount represents 4% of the district's total budget, a level which should provide for financial stability, provided that unanticipated expenditures and/or revenue shortfalls are avoided.

Factors that continue to affect all areas of the budget and process are as follows:

- Uncertainty of the increases in the cost of employee benefits, such as pension contributions and health insurance premiums
- Uncertainty of the present economic condition, such as rising inflation and interest rates
- Potential State Aid and "Tax Cap" restrictions
- Changing student demographics and an increase in student need
- Rising costs in employee salaries
- Increased costs associated with meeting state and federal mandates, and the requirements for instructional services.

Management believes that the budget adopted for the subsequent fiscal year is reasonably adaptable to any adverse changes that may arise based on the factors above.

Revenue Highlights

- Charges for services (tuition income) exceeded budget projections by \$111,888, driven by strong enrollment in our special education programs and increased demand for non-resident placements.
- Interest income was conservatively budgeted in anticipation of declining rates; however, actual interest income exceeded the budget by \$826,919 due to modest decreases to interest rates.
- Sales tax revenue was higher than budgeted, reflecting increased internet sales tax collections and overall post-pandemic economic recovery.
- Miscellaneous revenues were higher than projected by \$195,827 due to E-rate reimbursements and CPSE administrative cost reimbursement filings.
- Compared to original budget projections, overall State Aid was slightly higher due to increased BOCES Aid. However, total State Aid declined by \$523,546 from 2023–24 levels, primarily due to a reduction in Building Aid.

Overall, revenues came in stronger than anticipated in several key areas, helping to offset reductions in State Aid and supporting the District's ability to maintain a balanced financial position.

Expenditure Highlights

- Instructional expenses were lower than budgeted, largely due to lower than projected costs for special education and teaching expenses, reflecting lower-than-anticipated instructional service costs.
- Transfers to the Capital Projects Fund increased, supported by the use of Capital Reserves to fund Future Facilities Capital activity in the 2024–25 school year.
- Employee Benefit expenses were less than projected for Teacher Retirement System (TRS) benefit costs due to post-budget adjustments to the Employer Contribution Rate, and lower than projected costs for health insurance and social security.

Overall, expenditures were managed effectively, with savings in instructional and health-related costs contributing to a total Net Change in Fund Balance of \$258,210 resulting in an ending balance of \$25,479,559.

For the Future

The Croton-Harmon Union Free School District is financially stable and strong. However, two inter-related challenges will require some discussion: Enrollment and Budget.

Enrollment:

Croton-Harmon School District's Changing Enrollment

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
K-4	595	591	565	571	551	555	567	588	583	579
5-8	517	504	485	520	494	494	472	473	463	456
9-12	524	512	506	488	475	484	486	509	509	485
Total	1,636	1,607	1,556	1,579	1,520	1,533	1,525	1,570	1,555	1,520

As the chart above reflects, over the past 10 years, the largest decline has been in grades 5–8, with enrollment dropping over 12%. High school enrollment has decreased by about 7%, while elementary (K–4) has remained the most stable, down only 2%. Overall, the district is projected to serve approximately 116 fewer students than in 2016-17, representing a 7% decrease. While the decreases have been small on an annual basis, staffing has held somewhat steady due to increasing mandates and student needs in the areas of social, emotional, and academic support services.

Student enrollment trends directly impact both district expenses and revenue. Increases in enrollment add to costs, while constrained revenue growth limits the district's ability to respond to these changes. Conversely, decreases in enrollment reduce state aid, which, combined with the fact that the tax levy is capped at 2% growth, creates a larger budgetary gap to be addressed with limited revenue sources, since state aid and the levy are the district's primary funding sources.

Budget:

It is clear that the School District is heavily dependent upon real property taxes as it represents approximately 74.79% of School District budgeted revenues in 2024-2025 (inclusive of STAR).

Beginning with the 2012–2013 school year, New York State legislation capped annual property tax levy increases at the lesser of 2% or the rate of inflation, before allowable adjustments. This tax cap significantly limits the District's ability to raise revenue through property taxes.

As a result, developing a fiscally responsible budget that meets student academic needs and adheres to state and federal mandates require careful, efficient, and transparent management of District operations. Our budget planning is guided by a commitment to maximizing resources that directly impact student achievement while maintaining the long-term fiscal stability of the District.

The annual budget process is fundamentally shaped by several critical and interrelated factors:

- **Enrollment and Staffing:** Budget planning must project and respond to anticipated enrollment changes (e.g., student population growth or decline by grade level) and their direct impact on necessary staffing levels, class sizes, and facility usage.
- **Revenue Generation:** Because revenue growth drives the budget, periods of lower-than-anticipated revenue increases necessitate tighter control of expenses and the identification of non-essential spending. Key revenue sources, including local property taxes, state aid (e.g., foundation aid), and federal grants, are thoroughly analyzed for reliability and growth projections.

- **Essential Tradeoffs:** The constraints of limited resources often require necessary tradeoffs that may impact services, staffing, and capital improvements. These decisions are made strategically to ensure that core instructional programs remain protected.
- **Compliance and Mandates:** The budget must fully fund all required expenditures for contractual obligations (e.g., employee salaries and benefits), debt service payments, and specific, non-discretionary expenses mandated by law (e.g., special education services).

Additionally, though each year’s budget process stands on its own, a clear and well-articulated three-to-five-year long-range financial plan is essential to ensure efficacy and sustainability. This strategic outlook involves:

- **Fund Balance Management:** Maintaining an appropriate, policy-level unassigned fund balance (reserve) to mitigate unexpected fluctuations in revenue or unforeseen emergency expenses, thereby protecting against financial instability.
- **Capital Improvement:** Identifying and setting aside resources for planned capital projects (e.g., facility repair, technology infrastructure upgrades) to prevent the costly deferral of maintenance.
- **Contingency Planning:** Proactively developing scenarios and strategies to address potential economic downturns or changes in state funding formulas.

Capital Assets

As of June 30, 2025, the School District had \$93,950,108 net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, as well as machinery and equipment, vehicles and construction-in-progress. The change in capital assets during the current fiscal year results from the additional construction-in-progress and depreciation expense, and is reflected below.

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

Class	June 30,	
	2025	2024
Land	\$ 810,100	\$ 810,100
Construction-in-Progress	29,353,860	5,190,499
Land Improvements	118,980	164,723
Buildings and Improvements	61,198,005	63,494,105
Furniture and Equipment	776,732	856,886
Vehicles	1,692,431	1,258,197
Total Capital Assets, net of Accumulated depreciation	\$ 93,950,108	\$ 71,774,510

Long-Term Debt

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

	June 30,	
	<u>2025</u>	<u>2024</u>
Bonds Payable, net	\$ 7,109,645	\$ 9,220,113
Energy Performance Contract	3,125,523	3,657,166
Compensated Absences	5,094,289	473,093
Net Pension Liability	2,828,453	3,877,122
Other Post Employment Benefit Liability	<u>56,699,896</u>	<u>60,648,194</u>
Total	<u>\$ 74,857,806</u>	<u>\$ 77,875,688</u>

The School District's other postemployment benefit liability was recorded in accordance with the provisions of GASB Statement No. 75. This liability will continue to grow as at this time the School District is permitted by New York State only to fund its pay-as-you-go obligations for health insurance.

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

Requests for Information

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

<p>Croton-Harmon Union Free School District Attn: Denise Harrington-Cohen Assistant Superintendent for Business 10 Gerstein Street Croton-on-Hudson, New York 10520</p>

Croton-Harmon Union Free School District, New York

Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 35,116,398
Investments	15,453,080
Receivables	
Accounts	42,971
State and Federal aid	509,472
Due from other governments, net	664,166
Prepaid expenses	3,107
Inventories	6,412
Net pension asset - TRS	3,241,737
Capital assets	
Not being depreciated	30,163,960
Being depreciated/amortized, net	<u>63,786,148</u>
Total Assets	<u>148,987,451</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	9,386,661
OPEB related	<u>5,768,585</u>
Total Deferred Outflows of Resources	<u>15,155,246</u>
LIABILITIES	
Accounts payable	4,902,995
Accrued liabilities	248,745
Bond anticipation notes payable	41,632,595
Employee payroll deductions	2,515
Deposits payable	68,384
Due to other governments	3,905
Due to retirement systems	2,828,042
Unearned revenues	116,821
Accrued interest payable	41,836
Non-current liabilities	
Due within one year	4,403,206
Due in more than one year	<u>70,454,600</u>
Total Liabilities	<u>124,703,644</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	4,207,895
OPEB related	<u>7,892,999</u>
Deferred Inflows of Resources	<u>12,100,894</u>
NET POSITION	
Net investment in capital assets	58,228,485
Restricted	
Capital projects	385,000
Capital improvements	9,597,673
Debt service	1,359,040
Repairs	262,315
Tax certiorari	2,737,621
Workers' compensation benefits	407,689
ERS retirement contribution	2,054,165
TRS retirement contribution	2,374,795
Unemployment insurance	225,410
Insurance	1,326,506
Special revenues	
Extraclassroom	132,467
Other	57,355
Unrestricted	<u>(51,810,362)</u>
Total Net Position	<u>\$ 27,338,159</u>

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

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Croton-Harmon Union Free School District, New York

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 9,039,985	\$ 40,695	\$ -	\$ -	\$ (8,999,290)
Instruction	42,789,848	264,757	1,104,676	7,699	(41,412,716)
Pupil transportation	4,175,269	-	93,082	-	(4,082,187)
Cost of food sales	954,172	572,859	224,045	-	(157,268)
Other	202,775	-	188,511	-	(14,264)
Interest	1,311,001	-	891	564,244	(745,866)
Total Governmental Activities	\$ 58,473,050	\$ 878,311	\$ 1,611,205	\$ 571,943	(55,411,591)
General revenues					
Real property taxes					42,403,549
School tax relief reimbursement					1,858,820
Non-property taxes					
Non-property tax distribution from County					1,025,492
Unrestricted use of money and property					1,076,919
Sale of property and compensation for loss					149,586
Unrestricted State aid					9,366,861
Miscellaneous					242,812
Total General Revenues					56,124,039
Change in Net Position					712,448
NET POSITION					
Beginning					30,595,375
Cumulative Effect of Change in Accounting Principle					(3,969,664)
Beginning, as restated					26,625,711
Ending					\$ 27,338,159

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

Croton-Harmon Union Free School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2025

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 12,932,261	\$ -	\$ 20,637,670
Investments	15,453,080	-	-
Receivables			
Accounts	42,971	-	-
State and Federal aid	207,222	271,908	14,687
Due from other governments	664,166	-	-
Due from other funds	153,123	-	11,389
Prepaid expenditures	3,107	-	-
Inventories	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 29,455,930</u>	<u>\$ 271,908</u>	<u>\$ 20,663,746</u>
LIABILITIES AND FUND BALANCES (DEFICIT)			
Liabilities			
Accounts payable	\$ 820,526	\$ 101,160	\$ 3,981,309
Accrued liabilities	245,515	1,051	-
Bond anticipation notes payable	-	-	41,632,595
Employee payroll deductions	2,515	-	-
Due to other funds	11,389	153,123	151,297
Due to other governments	-	3,018	-
Due to retirement systems	2,828,042	-	-
Deposits payable	68,384	-	-
Unearned revenues	-	13,556	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>3,976,371</u>	<u>271,908</u>	<u>45,765,201</u>
Fund balances (deficit)			
Nonspendable	3,107	-	-
Restricted	19,532,267	-	-
Assigned	3,504,343	-	-
Unassigned	2,439,842	-	(25,101,455)
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances (Deficit)	<u>25,479,559</u>	<u>-</u>	<u>(25,101,455)</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 29,455,930</u>	<u>\$ 271,908</u>	<u>\$ 20,663,746</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 1,546,467	\$ 35,116,398
-	15,453,080
-	42,971
15,655	509,472
-	664,166
151,297	315,809
-	3,107
6,412	6,412
<u>\$ 1,719,831</u>	<u>\$ 52,111,415</u>

\$ -	\$ 4,902,995
2,179	248,745
-	41,632,595
-	2,515
-	315,809
887	3,905
-	2,828,042
-	68,384
103,265	116,821
<u>106,331</u>	<u>50,119,811</u>

6,412	9,519
1,548,862	21,081,129
58,226	3,562,569
-	(22,661,613)
<u>1,613,500</u>	<u>1,991,604</u>
<u>\$ 1,719,831</u>	<u>\$ 52,111,415</u>

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Croton-Harmon Union Free 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	\$ 1,991,604
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	30,163,960
Capital assets - depreciable/amortizable	103,100,996
Accumulated depreciation/amortization	<u>(39,314,848)</u>
	<u>93,950,108</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	9,386,661
Deferred outflows - OPEB related	5,768,585
Deferred inflows - pension related	(4,207,895)
Deferred inflows - OPEB related	<u>(7,892,999)</u>
	<u>3,054,352</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - TRS	<u>3,241,737</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds payable	(5,320,000)
Energy performance contract payable	(3,125,523)
Compensated absences	(5,094,289)
Net pension liability - ERS	(2,828,453)
Total OPEB liability	(56,699,896)
Accrued interest payable	<u>(41,836)</u>
	<u>(73,109,997)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Premium on general obligation bonds	<u>(1,789,645)</u>
Net Position of Governmental Activities	<u>\$ 27,338,159</u>

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

Croton-Harmon Union Free 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	\$ 42,403,549	\$ -	\$ -
Other tax items	1,881,174	-	-
Non-property taxes	1,025,492	-	-
Charges for services	242,403	-	-
Use of money and property	1,129,614	-	-
Sale of property and compensation for loss	149,696	-	-
State aid	9,508,776	500,232	7,699
Federal aid	14,242	475,118	-
Food sales	-	-	-
Miscellaneous	242,827	54,141	-
	<u>56,597,773</u>	<u>1,029,491</u>	<u>7,699</u>
Total Revenues			
EXPENDITURES			
Current			
General support	7,265,844	-	-
Instruction	28,753,247	980,170	-
Pupil transportation	2,753,908	93,082	-
Employee benefits	10,432,284	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	2,461,643	-	-
Interest	1,520,774	-	-
Capital outlay	-	-	24,919,543
	<u>53,187,700</u>	<u>1,073,252</u>	<u>24,919,543</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>3,410,073</u>	<u>(43,761)</u>	<u>(24,911,844)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	146,016	43,761	3,124,118
Transfers out	(3,297,879)	-	(514,758)
	<u>(3,151,863)</u>	<u>43,761</u>	<u>2,609,360</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	258,210	-	(22,302,484)
FUND BALANCES (DEFICIT)			
Beginning of Year	<u>25,221,349</u>	<u>-</u>	<u>(2,798,971)</u>
End of Year	<u>\$ 25,479,559</u>	<u>\$ -</u>	<u>\$ (25,101,455)</u>

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 42,403,549
-	1,881,174
-	1,025,492
-	242,403
156,628	1,286,242
-	149,696
8,341	10,025,048
215,693	705,053
572,859	572,859
597,014	893,982
<u>1,550,535</u>	<u>59,185,498</u>
-	7,265,844
-	29,733,417
-	2,846,990
-	10,432,284
920,206	920,206
202,775	202,775
-	2,461,643
-	1,520,774
-	24,919,543
<u>1,122,981</u>	<u>80,303,476</u>
<u>427,554</u>	<u>(21,117,978)</u>
624,286	3,938,181
(125,544)	(3,938,181)
<u>498,742</u>	<u>-</u>
926,296	(21,117,978)
<u>687,204</u>	<u>23,109,582</u>
<u>\$ 1,613,500</u>	<u>\$ 1,991,604</u>

Croton-Harmon Union Free 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	<u>\$ (21,117,978)</u>
<p>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/amortization expense.</p>	
Capital outlay expenditures	24,981,711
Depreciation expense	<u>(2,806,113)</u>
	<u>22,175,598</u>
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized on the statement of activities.</p>	
Principal paid on general obligation bonds	1,930,000
Principal paid on energy performance contract	<u>531,643</u>
	<u>2,461,643</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	(651,532)
Changes in pension liabilities and related deferred outflows and inflows of resources	741,053
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(3,106,109)
Accrued interest	29,305
Amortization of premium	<u>180,468</u>
	<u>(2,806,815)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 712,448</u></u>

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

Croton-Harmon Union Free 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	\$ 44,262,369	\$ 42,403,549	\$ 42,403,549	\$ -
Other tax items	70,000	1,928,820	1,881,174	(47,646)
Non-property taxes	925,000	925,000	1,025,492	100,492
Charges for services	130,000	130,000	242,403	112,403
Use of money and property	275,000	275,000	1,129,614	854,614
Sale of property and compensation for loss	-	91,696	149,696	58,000
State aid	9,361,812	9,361,812	9,508,776	146,964
Federal aid	10,000	10,000	14,242	4,242
Miscellaneous	47,000	47,000	242,827	195,827
Total Revenues	55,081,181	55,172,877	56,597,773	1,424,896
EXPENDITURES				
Current				
General support	9,072,033	9,086,106	7,265,844	1,820,262
Instruction	30,968,551	31,156,229	28,753,247	2,402,982
Pupil transportation	3,146,652	3,256,735	2,753,908	502,827
Employee benefits	11,780,217	11,608,255	10,432,284	1,175,971
Debt service				
Principal	2,461,644	2,461,644	2,461,643	1
Interest	1,547,005	1,520,776	1,520,774	2
Total Expenditures	58,976,102	59,089,745	53,187,700	5,902,045
Excess (Deficiency) of Revenues Over Expenditures	(3,894,921)	(3,916,868)	3,410,073	7,326,941
OTHER FINANCING SOURCES (USES)				
Transfers in	-	146,016	146,016	-
Transfers out	(724,477)	(3,334,118)	(3,297,879)	36,239
Total Other Financing Sources (Uses)	(724,477)	(3,188,102)	(3,151,863)	36,239
Net Change in Fund Balance	(4,619,398)	(7,104,970)	258,210	7,363,180
FUND BALANCE				
Beginning of Year	4,619,398	7,104,970	25,221,349	18,116,379
End of Year	\$ -	\$ -	\$ 25,479,559	\$ 25,479,559

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

Croton-Harmon Union Free School District, New York

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Year Ended June 30, 2025

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 962,222
DEDUCTIONS	
Payments of real property taxes to other governments	<u>962,222</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

Note 1 - Summary of Significant Accounting Policies

The Croton-Harmon Union Free School District, New York ("School District"), as presently constituted, operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the 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.

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 primary government 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.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Financial Statements

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

Fund Categories

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Miscellaneous Special Revenue Fund - The Miscellaneous Special Revenue 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 Miscellaneous Special Revenue Fund are extraclassroom activity funds.

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

- b. Fiduciary Fund (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 School District reports real property taxes collected on behalf of other governments in this fund.

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 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 certain claims, compensated absences, net pension liabilities and other postemployment benefit liabilities 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. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 of at least 102% 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.

The School District utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The School District's position in the pool in the amount of \$15,453,080 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.

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

Risk Disclosure

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Town of Cortlandt and Town of Yorktown, New York (“Towns”) are responsible for the billing and collection of the taxes. The Towns guarantee the full payment of the School District warrant and assumes 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 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 \$10,000 and an estimated useful life in excess of one year. Such assets (except intangible right-to-use lease assets, which is discussed in note 3B) are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Machinery and Equipment	5-20

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 \$13,556 for State and Federal aid received in advance in the Special Aid Fund and \$31,810 for student meal monies and \$71,455 for federal grant funds received in advance in the School Lunch Fund. 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.

The School District 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 that 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 is 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, capital improvements, debt service, repairs, tax certiorari, workers' compensation benefits, retirement contributions, unemployment, insurance and miscellaneous special revenues.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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:

Non-spendable 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 School Board 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 Board 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 the policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or delegated to the Assistant Superintendent for Business Operations 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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 October 9, 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.
- 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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 General Fund budget 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, Miscellaneous Special Revenue and Debt Service funds since other means control the use of these resources (e.g., grants awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Limitation on Fund Balance

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

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a

Note 2 - Stewardship, Compliance and Accountability (Continued)

contingency budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year's budget or 120% of the consumer price index ("CPI").

Under the Tax Levy Limitation Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the 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. Capital Projects Fund Project Deficit

Deficits in certain capital projects arise because of the application of generally accepted accounting principles. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. Deficits in these projects will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

E. 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 district-wide activities of \$3,969,664.

F. 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

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 were as follows:

Fund	Due From	Due To
General	\$ 153,123	\$ 11,389
Capital Projects	11,389	151,297
Special Aid	-	153,123
Non-Major Governmental	151,297	-
	<u>\$ 315,809</u>	<u>\$ 315,809</u>

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	Balance June 30, 2025
Capital Assets, not being depreciated:			
Land	\$ 810,100	\$ -	\$ 810,100
Construction-in-progress	5,190,499	24,163,361	29,353,860
Total Capital Assets, not being depreciated	<u>\$ 6,000,599</u>	<u>\$ 24,163,361</u>	<u>\$ 30,163,960</u>
Capital Assets, being depreciated:			
Land Improvements	\$ 1,307,095	\$ -	\$ 1,307,095
Buildings and Improvements	95,206,895	-	95,206,895
Furniture and Equipment	1,722,860	69,867	1,792,727
Vehicles	4,045,796	748,483	4,794,279
Total Capital Assets, being depreciated	<u>102,282,646</u>	<u>818,350</u>	<u>103,100,996</u>
Less Accumulated Depreciation for:			
Land Improvements	1,142,372	45,743	1,188,115
Buildings and Improvements	31,712,790	2,296,100	34,008,890
Furniture and Equipment	865,974	150,021	1,015,995
Vehicles	2,787,599	314,249	3,101,848
Total Accumulated Depreciation	<u>36,508,735</u>	<u>2,806,113</u>	<u>39,314,848</u>
Total Capital Assets, being depreciated, net	<u>\$ 65,773,911</u>	<u>\$ (1,987,763)</u>	<u>\$ 63,786,148</u>
Capital Assets, net	<u>\$ 71,774,510</u>	<u>\$ 22,175,598</u>	<u>\$ 93,950,108</u>

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

General support	\$ 520,015
Instruction	1,949,536
Cost of food sales	33,966
Pupil transportation	<u>302,596</u>
Total Depreciation Expense	<u>\$ 2,806,113</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2025 were as follows:

	General Fund	Special Aid Fund	Non-Major Governmental Funds	Total
Payroll and Employee Benefits	<u>\$ 245,515</u>	<u>\$ 1,051</u>	<u>\$ 2,179</u>	<u>\$ 248,745</u>

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
Capital Projects Fund -							
Bond Anticipation Notes							
School Buses and Vehicles	2023	3.875 %	10/10/2025	\$ 724,894	-	\$ 224,477	\$ 500,417
Building Improvements	2024	4.000	6/26/2026	27,173,951	-	541,773	26,632,178
Building Improvements	2025	4.000	6/26/2026	-	14,500,000	-	14,500,000
				<u>\$ 27,898,845</u>	<u>\$ 14,500,000</u>	<u>\$ 766,250</u>	<u>\$ 41,632,595</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund or Proprietary Funds. 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 improvement projects may be renewed for periods that are equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$1,121,584 were recorded in the fund financial statements in the General Fund and \$1,101,647 district-wide financial statements.

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

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 July 1, 2024	Cumulative Effect of Change in Accounting Principle*	Balance July 1, 2024	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2025	Due Within One-Year
General Obligation Bonds Payable	\$ 7,250,000	\$ -	\$ 7,250,000	\$ -	\$ 1,930,000	\$ 5,320,000	\$ 1,690,000
Plus - Unamortized Premium on Bonds	1,970,113	-	1,970,113	-	180,468	1,789,645	-
	9,220,113	-	9,220,113	-	2,110,468	7,109,645	1,690,000
Energy Performance Contract Payable	3,657,166	-	3,657,166	-	531,643	3,125,523	544,206
Other Non-current Liabilities:							
Compensated Absences	473,093	3,969,664	4,442,757	651,532 **	-	5,094,289	509,000
Net Pension Liability - ERS	2,654,584	-	2,654,584	-	(173,869)	2,828,453	-
Net Pension Liability - TRS	1,222,538	-	1,222,538	-	1,222,538	-	-
Other Postemployment Benefit Liability	60,648,194	-	60,648,194	4,438,135	8,386,433	56,699,896	1,660,000
Total Other Non- current Liabilities	64,998,409	3,969,664	68,968,073	5,089,667	9,435,102	64,622,638	2,169,000
Total Long-Term Liabilities	\$ 77,875,688	\$ 3,969,664	\$ 81,845,352	\$ 5,089,667	\$ 12,077,213	\$ 74,857,806	\$ 4,403,206

*See Note 2E.

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

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

General Obligation Bonds Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at June 30, 2025
District-Wide Improvements	2020	\$ 15,620,000	June, 2034	2.00 - 5.00 %	\$ 5,320,000

Interest expenditures of \$334,400 were recorded in the fund financial statements in the General Fund. Interest expense of \$146,286 was recorded in the district-wide financial statements.

Energy Performance Contract Payable

The School District, in a prior fiscal year, entered into a \$3,540,000 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for annual payments of \$134,044 payable semi-annually, including interest at 2.84% through May 2026. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures of \$15,770 were recorded in the fund financial statements in the General Fund. Interest expense of \$14,663 was recorded in the district-wide financial statements. The balance due at June 30, 2025 was \$320,814.

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The School District, in a prior fiscal year, entered into a \$3,425,000 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for annual payments of \$134,385 payable semi-annually, including interest at 1.645% through October 2036. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures of \$49,020 were recorded in the fund financial statements in the General Fund. Interest expense of \$48,405 was recorded in the district-wide financial statements. The balance due at June 30, 2025 was \$2,804,709.

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 \$893,541 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2026	\$ 1,690,000	\$ 237,900	\$ 544,206	\$ 52,227	\$ 2,234,206	\$ 290,127	\$ 2,524,333
2027	1,675,000	153,400	227,094	41,675	1,902,094	195,075	2,097,169
2028	335,000	69,650	230,858	37,911	565,858	107,561	673,419
2029	335,000	52,900	234,685	34,085	569,685	86,985	656,670
2030	335,000	39,500	238,575	30,195	573,575	69,695	643,270
2031-2035	950,000	47,200	1,253,515	90,334	2,203,515	137,534	2,341,049
2036-2037	-	-	396,590	6,564	396,590	6,564	403,154
	<u>\$ 5,320,000</u>	<u>\$ 600,550</u>	<u>\$ 3,125,523</u>	<u>\$ 292,991</u>	<u>\$ 8,445,523</u>	<u>\$ 893,541</u>	<u>\$ 9,339,064</u>

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

Legal Debt Margin

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

Compensated Absences

The various collective bargaining agreements provide for the payment of accumulated vacation or sick leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide statement of net position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

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

Note 3 - Detailed Notes on All Funds (Continued)

and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees’ Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers’ Retirement System (“TRS”). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten-member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers’ Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976, and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010, generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the ERS’s fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the ERS plan year ended March 31, 2025 and TRS plan year ended June 30, 2025 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	17.9 %
	5 A15	15.4
	6 A15	11.4
TRS	1-6	10.11 %

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Net pension liability (asset)	\$ 2,828,453	\$ (3,241,737)
School Districts' proportion of the net pension liability	0.0164966 %	0.108652 %
Change in proportion since the prior measurement date	(0.0015323) %	0.001748 %

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 (asset) 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 \$2,451,060, (\$687,259 for ERS and \$1,763,801 for TRS). Pension expenditures were recorded in the fund financial statements and were charged to the General Fund of \$983,710 for ERS and \$2,208,403 for TRS.

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:

	<u>ERS</u>		<u>TRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 702,041	\$ 33,116	\$ 3,490,755	\$ -
Changes of assumptions	118,620	-	1,939,216	326,194
Net difference between projected and actual earnings on pension plan investments	221,913	-	-	3,601,846
Changes in proportion and differences between School District contributions and proportionate share of contributions	265,366	161,284	118,344	85,455
School District contributions subsequent to the measurement date	314,047	-	2,216,359	-
	<u>\$ 1,621,987</u>	<u>\$ 194,400</u>	<u>\$ 7,764,674</u>	<u>\$ 4,013,495</u>
	<u>Total</u>			
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		
Differences between expected and actual experience	\$ 4,192,796	\$ 33,116		
Changes of assumptions	2,057,836	326,194		
Net difference between projected and actual earnings on pension plan investments	221,913	3,601,846		
Changes in proportion and differences between School District contributions and proportionate share of contributions	383,710	246,739		
School District contributions subsequent to the measurement date	2,530,406	-		
	<u>\$ 9,386,661</u>	<u>\$ 4,207,895</u>		

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

\$314,047 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 \$2,216,359 reported as deferred outflows of resources related to TRS will be recognized as a decrease of the net pension liability in the plan's year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31,	June 30,
	ERS	TRS
2025	\$ -	\$ (1,650,460)
2026	545,297	3,983,535
2027	760,676	(636,815)
2028	(214,819)	(724,814)
2029	22,386	407,945
Thereafter	-	155,429
	<u>\$ 1,113,540</u>	<u>\$ 1,534,820</u>

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

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

Asset Type	ERS March 31, 2025		TRS June 30, 2024	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25 %	3.54 %	33 %	6.6 %
International Equity	14	6.57	15	7.4
Private Equity	15	7.25	9	10.0
Real Estate	12	4.95	11	6.3
Domestic Fixed Income Securities	-	-	16	2.6
Global Equities	-	-	2	2.5
High Yield Income Securities	-	-	1	4.5
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	-	-
Fixed Income	22	2.00	-	-
Cash	1	0.25	1	0.5
	<u>100 %</u>		<u>100 %</u>	

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

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

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)	\$ 8,185,900	\$ 2,828,453	\$ (1,645,018)
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	\$ 14,973,770	\$ (3,241,737)	\$ (18,561,467)

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.

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Accrued retirement contributions as of June 30, 2025 were \$314,047 to ERS and \$2,513,995 to TRS (including employee contributions of \$297,636).

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	117
Active employees	<u>253</u>
	<u>370</u>

The School District’s total OPEB liability of \$56,699,896 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

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

Salary increases	3.0%, average, including inflation
Discount rate	4.76%
Healthcare cost trend rates	7.0% for 2025, decreasing 0.25% per year to an ultimate rate of 4.0% for 2037 and later years
Retirees' share of benefit-related costs	Retiree contribution rates vary by employee class and date of retirement

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate was based on an average of three 20-year bond indices (e.g., Bond Buyers, 20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of June 30, 2024.

The actuarial assumptions used in the June 30, 2025 valuation reflects the retirement from the active plan and is based on age and gender period. This is the assumption used by the TRS and ERS.

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	\$ 60,648,194
Service cost	1,590,776
Interest	2,847,359
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(6,726,980)
Benefit payments	<u>(1,659,453)</u>
 Total OPEB Liability - End of Year	 <u>\$ 56,699,896</u>

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 (3.76%) or 1 percentage point higher (5.76%) than the current discount rate:

	1% Decrease (3.76%)	Current Discount Rate (4.76%)	1% Increase (5.76%)
Total OPEB Liability	<u>\$ 67,093,319</u>	<u>\$ 56,699,896</u>	<u>\$ 48,555,848</u>

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	<u>\$ 47,175,944</u>	<u>\$ 56,699,896</u>	<u>\$ 69,280,923</u>

For the year ended June 30, 2025, the School District recognized OPEB expense of \$4,765,562 in the district-wide financial statements. At June 30, 2025, the School District reported deferred

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	<u>\$ 5,768,585</u>	<u>\$ 7,892,999</u>

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

<u>Year Ended June 30,</u>	
2026	\$ (421,636)
2027	154,243
2028	(201,029)
2029	(201,029)
2030	(201,030)
Thereafter	<u>(1,253,933)</u>
	<u>\$ (2,124,414)</u>

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.

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ -	\$ 43,761	\$ 3,124,118	\$ 130,000	\$ 3,297,879
Capital Projects Fund	146,016	-	-	494,286	640,302
	<u>\$ 146,016</u>	<u>\$ 43,761</u>	<u>\$ 3,124,118</u>	<u>\$ 624,286</u>	<u>\$ 3,938,181</u>

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund and Capital Projects Fund as debt service principal and interest payments become due and 2) move amounts earmarked in the operating funds to fulfill commitments for Special Aid Fund expenditures.

Note 3 - Detailed Notes on All Funds (Continued)

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 and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

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

Restricted for Capital Improvements - the component of net position that has been established pursuant to Section 6C of the General Municipal Law of the State of New York to set aside funds to be used for future capital projects.

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

Restricted for Repairs - the component of net position that has been established pursuant to section 6 D of the General Municipal Law of the State of New York to pay the cost of major repairs to the School District assets.

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

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

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

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

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

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

Restricted for Special Revenues - 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.

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

H. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable -				
Prepaid expenditures	\$ 3,107	\$ -	\$ -	\$ 3,107
Inventories	-	-	6,412	6,412
Total Nonspendable	3,107	-	6,412	9,519
Restricted:				
Workers' compensation	407,689	-	-	407,689
Unemployment insurance	225,410	-	-	225,410
Tax certiorari	1,937,621	-	-	1,937,621
Tax certioraris - for subsequent year's expenditures	800,000	-	-	800,000
ERS retirement contributions	1,854,165	-	-	1,854,165
ERS retirement contributions - for subsequent year's expenditures	200,000	-	-	200,000
TRS retirement contributions	2,174,795	-	-	2,174,795
TRS retirement contributions - for subsequent year's expenditures	200,000	-	-	200,000
Employee benefit accrued liability	546,093	-	-	546,093
Repair	262,315	-	-	262,315
Insurance losses	1,326,506	-	-	1,326,506
Capital projects	9,597,673	-	-	9,597,673
Debt service	-	-	1,359,040	1,359,040
Special revenues - extraclassroom activities	-	-	132,467	132,467
Special revenues - other	-	-	57,355	57,355
Total Restricted	19,532,267	-	1,548,862	21,081,129
Assigned:				
Purchases on order:				
General government support	942,829	-	-	942,829
Instruction	95,899	-	-	95,899
	1,038,728	-	-	1,038,728
For subsequent year's expenditures -				
General Fund	2,465,615	-	-	2,465,615
School Lunch Fund	-	-	58,226	58,226
Total Assigned	3,504,343	-	58,226	3,562,569
Unassigned	2,439,842	(25,101,455)	-	(22,661,613)
Total Fund Balances	\$ 25,479,559	\$ (25,101,455)	\$ 1,613,500	\$ 1,991,604

Note 3 - Detailed Notes on All Funds (Continued)

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.

Prepaid Expenditures have been established to account for health insurance payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

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.

Assigned for School Lunch Fund 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, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

In addition, the School District is involved in a civil matter that has been assigned to the School District's insurance carrier. The outcome of this matter cannot be determined at this time.

B. Contingencies

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

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

C. Risk Management

The School District and 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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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. 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 \$15 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District has also established a reserve for property loss and liability pursuant to General Municipal Law. At June 30, 2025, the balance in the reserve was \$1,326,506, which is to be used for the uninsured portion of any losses.

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. This plan operates under an agreement, as amended, dated February 6, 1987. The purposes of the plan are to provide for the efficient and economical evaluation, processing, administration, defense and payment of claims against Plan members for workers' compensation payments. The Board of Trustees of the Plan consists of five Trustees selected by the Plan members. Each Trustee shall have one vote, and no action may be taken except by a majority vote of the total membership of Trustees. Billings to each participant are based upon the costs incurred for workers' compensation. 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 Schools Cooperative Medical Expense Benefit Plan. The plan operates under an agreement dated February 17, 1989. 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 vote of the total number of Trustees shall be required to take any actions. The billings are based upon coverages provided to each participants' employees. The School District has transferred all related risks 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 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.

Croton-Harmon Union Free School District, New York

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total OPEB Liability:			
Service cost	\$ 1,590,776	\$ 1,881,366	\$ 1,428,330
Interest	2,847,359	2,131,039	2,087,720
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions or other inputs *	(6,726,980)	5,330,436	(2,146,523)
Benefit payments	<u>(1,659,453)</u>	<u>(1,596,587)</u>	<u>(1,321,179)</u>
Net Change in Total OPEB Liability	(3,948,298)	7,746,254	48,348
Total OPEB Liability – Beginning of Year	<u>60,648,194</u>	<u>52,901,940</u>	<u>52,853,592</u>
Total OPEB Liability – End of Year	<u>\$ 56,699,896</u>	<u>\$ 60,648,194</u>	<u>\$ 52,901,940</u>
School District's covered-employee payroll	<u>\$ 25,025,319</u>	<u>\$ 25,025,319</u>	<u>\$ 21,636,185</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>226.57%</u>	<u>242.35%</u>	<u>244.51%</u>
*Discount Rate	<u>4.09%</u>	<u>4.09%</u>	<u>4.00%</u>

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

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

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

See independent auditors' report.

2022	2021	2020	2019	2018
\$ 1,491,551	\$ 1,643,302	\$ 1,426,151	\$ 570,808	\$ 492,015
1,818,833	924,513	1,039,906	1,413,909	1,460,333
-	-	-	-	-
-	-	-	-	-
1,908,386	2,486,898	(4,031,134)	5,243,433	-
(1,220,180)	(869,571)	(830,621)	(1,058,230)	(1,050,330)
3,998,590	4,185,142	(2,395,698)	6,169,920	902,018
48,855,002	44,669,860	47,065,558	40,895,638	39,993,620 (3)
<u>\$ 52,853,592</u>	<u>\$ 48,855,002</u>	<u>\$ 44,669,860</u>	<u>\$ 47,065,558</u>	<u>\$ 40,895,638</u>
<u>\$ 21,636,185</u>	<u>\$ 21,752,300</u>	<u>\$ 21,752,300</u>	<u>\$ 21,627,861</u>	<u>\$ 21,627,861</u>
<u>244.28%</u>	<u>224.60%</u>	<u>205.36%</u>	<u>217.62%</u>	<u>189.09%</u>
<u>3.77%</u>	<u>2.09%</u>	<u>2.44%</u>	<u>3.10%</u>	<u>3.10%</u>

Croton-Harmon Union Free 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 (2)	2024 (3)	2023 (2)	2022 (3)
School District's proportion of the net pension liability (asset)	<u>0.0164966%</u>	<u>0.0180289%</u>	<u>0.0175876%</u>	<u>0.0182433%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 2,828,453</u>	<u>\$ 2,654,584</u>	<u>\$ 3,771,498</u>	<u>\$ (1,491,316)</u>
School District's covered payroll	<u>\$ 6,482,258</u>	<u>\$ 6,535,901</u>	<u>\$ 6,380,804</u>	<u>\$ 6,040,908</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>43.63%</u>	<u>40.62%</u>	<u>59.11%</u>	<u>(24.69)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.08%</u>	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	<u>\$ 939,182</u>	<u>\$ 786,550</u>	<u>\$ 680,650</u>	<u>\$ 939,601</u>
Contributions in relation to the contractually required contribution	<u>(939,182)</u>	<u>(786,550)</u>	<u>(680,650)</u>	<u>(939,601)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 6,380,140</u>	<u>\$ 6,219,935</u>	<u>\$ 6,474,495</u>	<u>\$ 6,040,908</u>
Contributions as a percentage of covered payroll	<u>14.72%</u>	<u>12.65%</u>	<u>10.51%</u>	<u>15.55%</u>

- (1) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.
- (2) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.
- (3) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

2021 (3)	2020 (2)	2019	2018	2017	2016
<u>0.0180489%</u>	<u>0.0187452%</u>	<u>0.0190977%</u>	<u>0.0191017%</u>	<u>0.0197352%</u>	<u>0.0189940%</u>
<u>\$ 17,972</u>	<u>\$ 4,963,849</u>	<u>\$ 1,353,128</u>	<u>\$ 616,497</u>	<u>\$ 1,854,364</u>	<u>\$ 3,048,584</u>
<u>\$ 6,160,977</u>	<u>\$ 6,060,981</u>	<u>\$ 5,700,424</u>	<u>\$ 5,532,627</u>	<u>\$ 5,432,392</u>	<u>\$ 5,024,641</u>
<u>0.29%</u>	<u>81.90%</u>	<u>23.74%</u>	<u>11.14%</u>	<u>34.14%</u>	<u>60.67%</u>
<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>
<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>
2021	2020	2019	2018	2017	2016
<u>\$ 861,145</u>	<u>\$ 834,898</u>	<u>\$ 791,873</u>	<u>\$ 787,973</u>	<u>\$ 801,828</u>	<u>\$ 892,278</u>
<u>(861,145)</u>	<u>(834,898)</u>	<u>(791,873)</u>	<u>(787,973)</u>	<u>(801,828)</u>	<u>(892,278)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 6,160,977</u>	<u>\$ 6,060,981</u>	<u>\$ 5,700,424</u>	<u>\$ 5,532,627</u>	<u>\$ 5,432,392</u>	<u>\$ 5,024,641</u>
<u>13.98%</u>	<u>13.77%</u>	<u>13.89%</u>	<u>14.24%</u>	<u>14.76%</u>	<u>17.76%</u>

Croton-Harmon Union Free 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)

	<u>2025 (3)</u>	<u>2024(3)</u>	<u>2023 (2)</u>	<u>2022 (3)</u>
School District's proportion of the net pension liability (asset)	<u>0.108652%</u>	<u>0.106904%</u>	<u>0.106939%</u>	<u>0.110139%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (3,241,737)</u>	<u>\$ 1,222,538</u>	<u>\$ 2,052,050</u>	<u>\$ (19,086,079)</u>
School District's covered payroll	<u>\$ 20,756,776</u>	<u>\$ 19,724,101</u>	<u>\$ 18,947,274</u>	<u>\$ 18,947,274</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>(15.62)%</u>	<u>6.20%</u>	<u>10.83%</u>	<u>(100.73)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>102.09%</u>	<u>99.17%</u>	<u>98.57%</u>	<u>113.20%</u>
Discount Rate	<u>6.95%</u>	<u>6.95%</u>	<u>6.95%</u>	<u>6.95%</u>

Schedule of Contributions

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	<u>\$ 2,210,912</u>	<u>\$ 2,025,861</u>	<u>\$ 2,029,610</u>	<u>\$ 1,781,554</u>
Contributions in relation to the contractually required contribution	<u>(2,210,912)</u>	<u>(2,025,861)</u>	<u>(2,029,610)</u>	<u>(1,781,554)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 21,868,566</u>	<u>\$ 20,756,776</u>	<u>\$ 19,724,101</u>	<u>\$ 18,947,274</u>
Contributions as a percentage of covered payroll	<u>10.11%</u>	<u>9.76%</u>	<u>10.29%</u>	<u>9.40%</u>

(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.

<u>2021 (2)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>0.108842%</u>	<u>0.108671%</u>	<u>0.109483%</u>	<u>0.107448%</u>	<u>0.108427%</u>	<u>0.106759%</u>
<u>\$ 3,007,601</u>	<u>\$ (2,823,282)</u>	<u>\$ (1,979,741)</u>	<u>\$ (816,711)</u>	<u>\$ 1,161,293</u>	<u>\$ (11,088,831)</u>
<u>\$ 18,822,336</u>	<u>\$ 18,477,570</u>	<u>\$ 18,138,972</u>	<u>\$ 17,026,952</u>	<u>\$ 16,731,299</u>	<u>\$ 16,036,612</u>
<u>15.98%</u>	<u>(15.28)%</u>	<u>(10.91)%</u>	<u>(4.80)%</u>	<u>6.94%</u>	<u>(69.15)%</u>
<u>97.76%</u>	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>
<u>7.10%</u>	<u>7.10%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.50%</u>	<u>8.00%</u>

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>\$ 1,740,502</u>	<u>\$ 1,876,941</u>	<u>\$ 1,748,110</u>	<u>\$ 1,995,559</u>	<u>\$ 2,218,570</u>	<u>\$ 2,811,218</u>
<u>(1,740,502)</u>	<u>(1,876,941)</u>	<u>(1,748,110)</u>	<u>(1,995,559)</u>	<u>(2,218,570)</u>	<u>(2,811,218)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 18,822,336</u>	<u>\$ 18,822,336</u>	<u>\$ 18,138,972</u>	<u>\$ 17,026,952</u>	<u>\$ 16,731,299</u>	<u>\$ 16,036,612</u>
<u>9.25%</u>	<u>9.97%</u>	<u>9.64%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

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Croton-Harmon Union Free School District, New York

General Fund
 Comparative Balance Sheet
 June 30,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$ 12,932,261	\$ 10,653,765
Investments	15,453,080	16,911,617
Receivables		
Accounts	42,971	44,064
State and Federal aid	207,222	403,191
Due from other governments	664,166	640,484
Due from other funds	153,123	457,487
	<u>1,067,482</u>	<u>1,545,226</u>
Prepaid expenditures	3,107	-
Total Assets	<u>\$ 29,455,930</u>	<u>\$ 29,110,608</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 820,526	\$ 1,056,642
Accrued liabilities	245,515	190,193
Employee payroll deductions	2,515	-
Due to other funds	11,389	63,321
Due to retirement systems	2,828,042	2,521,459
Deposits payable	68,384	57,644
Total Liabilities	<u>3,976,371</u>	<u>3,889,259</u>
Fund balance		
Nonspendable	3,107	-
Restricted	19,532,267	19,050,020
Assigned	3,504,343	3,819,398
Unassigned	2,439,842	2,351,931
Total Fund Balance	<u>25,479,559</u>	<u>25,221,349</u>
Total Liabilities and Fund Balance	<u>\$ 29,455,930</u>	<u>\$ 29,110,608</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

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

	2025				Variance with Final Budget
	Original Budget	Final Budget	Actual	Encumbr- ances	
REVENUES					
Real property taxes	\$ 44,262,369	\$ 42,403,549	\$ 42,403,549	\$	\$ -
Other tax items	70,000	1,928,820	1,881,174		(47,646)
Non-property taxes	925,000	925,000	1,025,492		100,492
Charges for services	130,000	130,000	242,403		112,403
Use of money and property	275,000	275,000	1,129,614		854,614
Sale of property and compensation for loss	-	91,696	149,696		58,000
State aid	9,361,812	9,361,812	9,508,776		146,964
Federal aid	10,000	10,000	14,242		4,242
Miscellaneous	47,000	47,000	242,827		195,827
Total Revenues	55,081,181	55,172,877	56,597,773		1,424,896
EXPENDITURES					
Current					
General support					
Board of education	90,532	90,531	66,124	-	24,407
Central administration	374,194	374,464	348,267	-	26,197
Finance	904,294	929,870	898,730	5,253	25,887
Staff	694,863	642,273	491,888	-	150,385
Central services	6,270,986	6,285,713	4,714,538	937,576	633,599
Special items	737,164	763,255	746,297	-	16,958
Total General Support	9,072,033	9,086,106	7,265,844	942,829	877,433
Instruction					
Instruction, administration and improvement	2,155,755	2,182,781	2,049,698	4,000	129,083
Teaching - Regular school Programs for students with disabilities	16,535,285	16,557,566	15,410,118	70,347	1,077,101
Occupational education	6,196,353	6,173,827	5,522,428	-	651,399
Teaching - Special schools	369,056	369,056	369,056	-	-
Instructional media	38,050	38,050	6,380	-	31,670
Pupil services	2,210,051	2,340,658	2,245,465	21,408	73,785
	3,464,001	3,494,291	3,150,102	144	344,045
Total Instruction	30,968,551	31,156,229	28,753,247	95,899	2,307,083
Pupil transportation	3,146,652	3,256,735	2,753,908	-	502,827
Employee benefits	11,780,217	11,608,255	10,432,284	-	1,175,971
Debt service					
Principal	2,461,644	2,461,644	2,461,643	-	1
Interest	1,547,005	1,520,776	1,520,774	-	2
Total Expenditures	58,976,102	59,089,745	53,187,700	1,038,728	4,863,317
Excess (Deficiency) of Revenues Over Expenditures	(3,894,921)	(3,916,868)	3,410,073	(1,038,728)	6,288,213
OTHER FINANCING SOURCES (USES)					
Transfers in	-	146,016	146,016	-	-
Transfers out	(724,477)	(3,334,118)	(3,297,879)	-	36,239
Total Other Financing Uses	(724,477)	(3,188,102)	(3,151,863)	-	36,239
Net Change in Fund Balance	(4,619,398)	(7,104,970)	258,210	\$ (1,038,728)	\$ 6,324,452
FUND BALANCE					
Beginning of Year	4,619,398	7,104,970	25,221,349		
End of Year	\$ -	\$ -	\$ 25,479,559		

See independent auditors' report.

2024				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
\$ 43,336,181	\$ 41,294,730	\$ 41,294,730	\$	\$ -
-	2,041,451	2,041,451		-
825,000	825,000	1,024,438		199,438
20,000	20,000	229,395		209,395
275,000	275,000	1,267,926		992,926
12,000	12,000	88,468		76,468
9,709,038	9,709,038	10,029,915		320,877
10,000	10,000	19,132		9,132
47,000	87,860	450,359		362,499
<u>54,234,219</u>	<u>54,275,079</u>	<u>56,445,814</u>		<u>2,170,735</u>
107,126	110,731	85,174	-	25,557
363,944	364,397	349,431	-	14,966
873,435	918,400	890,907	12,329	15,164
671,944	628,740	554,375	-	74,365
5,754,129	5,849,070	4,215,675	798,215	835,180
656,934	694,364	689,327	-	5,037
<u>8,427,512</u>	<u>8,565,702</u>	<u>6,784,889</u>	<u>810,544</u>	<u>970,269</u>
2,133,967	2,156,396	1,934,923	2,382	219,091
15,445,156	15,437,898	14,951,429	6,142	480,327
5,845,199	5,798,966	5,433,491	4,809	360,666
395,500	395,509	395,500	-	9
38,050	38,050	5,740	-	32,310
2,038,732	2,285,860	2,157,208	69,645	59,007
3,292,926	3,328,942	3,009,525	-	319,417
<u>29,189,530</u>	<u>29,441,621</u>	<u>27,887,816</u>	<u>82,978</u>	<u>1,470,827</u>
3,103,093	3,102,895	2,607,998	8,750	486,147
10,962,551	10,750,439	9,845,669	-	904,770
2,774,388	2,774,388	2,774,388	-	-
866,477	745,306	745,306	-	-
<u>55,323,551</u>	<u>55,380,351</u>	<u>50,646,066</u>	<u>902,272</u>	<u>3,832,013</u>
<u>(1,089,332)</u>	<u>(1,105,272)</u>	<u>5,799,748</u>	<u>(902,272)</u>	<u>6,002,748</u>
-	389,389	389,389	-	-
(1,480,612)	(3,496,691)	(3,451,794)	-	44,897
<u>(1,480,612)</u>	<u>(3,107,302)</u>	<u>(3,062,405)</u>	<u>-</u>	<u>44,897</u>
(2,569,944)	(4,212,574)	2,737,343	\$ (902,272)	\$ 6,047,645
<u>2,569,944</u>	<u>4,212,574</u>	<u>22,484,006</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,221,349</u>		

Croton-Harmon Union Free 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	\$ 44,262,369	\$ 42,403,549	\$ 42,403,549	\$ -
OTHER TAX ITEMS				
School tax relief reimbursement	-	1,858,820	1,858,820	-
NON-PROPERTY TAXES				
Non-property tax distribution from County	925,000	925,000	1,025,492	100,492
CHARGES FOR SERVICES				
Day school tuition - Individuals	130,000	130,000	241,888	111,888
Other services for other districts and other governments	-	-	515	515
	130,000	130,000	242,403	112,403
USE OF MONEY AND PROPERTY				
Earnings on investments	250,000	250,000	1,076,919	826,919
Rental of real property	25,000	25,000	52,695	27,695
	275,000	275,000	1,129,614	854,614
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	91,696	99,689	7,993
Minor sales	-	-	50,007	50,007
	-	91,696	149,696	58,000
STATE AID				
Basic formula	8,511,202	8,511,202	8,475,543	(35,659)
BOCES	708,609	708,609	841,318	132,709
Textbooks	95,588	95,588	95,530	(58)
Computer software	36,500	36,500	36,479	(21)
Library	9,913	9,913	9,906	(7)
Other	-	-	50,000	50,000
	9,361,812	9,361,812	9,508,776	146,964
FEDERAL AID				
Medicaid assistance	10,000	10,000	14,242	4,242
MISCELLANEOUS				
Refund of prior year's expenditures	47,000	47,000	209,132	162,132
Other	-	-	33,695	33,695
	47,000	47,000	242,827	195,827
TOTAL REVENUES	55,081,181	55,172,877	56,597,773	1,424,896
OTHER FINANCING SOURCES				
Transfers in Capital Projects Fund	-	146,016	146,016	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 55,081,181</u>	<u>\$ 55,318,893</u>	<u>\$ 56,743,789</u>	<u>\$ 1,424,896</u>

See independent auditors' report.

Croton-Harmon Union Free 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	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 42,532	\$ 42,531	\$ 30,211	\$ -	\$ 12,320
District clerk	48,000	48,000	35,913	-	12,087
Total Board of Education	90,532	90,531	66,124	-	24,407
CENTRAL ADMINISTRATION					
Chief school administrator	374,194	374,464	348,267	-	26,197
FINANCE					
Business administration	686,319	684,634	659,684	5,253	19,697
Auditing	72,750	72,000	66,208	-	5,792
Treasurer	123,390	123,461	123,063	-	398
Fiscal agent fees	21,835	49,775	49,775	-	-
Total Finance	904,294	929,870	898,730	5,253	25,887
STAFF					
Legal	241,425	217,025	166,097	-	50,928
Personnel	178,985	171,912	128,112	-	43,800
Records management officer	9,391	9,391	4,709	-	4,682
Public information and services	265,062	243,945	192,970	-	50,975
Total Staff	694,863	642,273	491,888	-	150,385
CENTRAL SERVICES					
Operation and maintenance of plant	6,098,855	6,092,186	4,525,497	937,576	629,113
Central printing and mailing	110,500	128,369	123,883	-	4,486
Central data processing	61,631	65,158	65,158	-	-
Total Central Services	6,270,986	6,285,713	4,714,538	937,576	633,599
SPECIAL ITEMS					
Unallocated insurance	280,842	272,842	270,009	-	2,833
School association dues	21,000	21,000	16,441	-	4,559
Judgments and claims	-	29,601	29,601	-	-
Assessments of school property	65,000	65,000	65,000	-	-
Refunds of real property taxes	5,075	5,075	-	-	5,075
Administrative charge - BOCES	320,338	324,828	324,828	-	-
BOCES capital expenses	44,909	44,909	40,418	-	4,491
Total Special Items	737,164	763,255	746,297	-	16,958
Total General Support	9,072,033	9,086,106	7,265,844	942,829	877,433
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	702,864	741,282	630,680	4,000	106,602
Building administration	1,452,891	1,441,499	1,419,018	-	22,481
Total Instruction, Administration and Improvement	2,155,755	2,182,781	2,049,698	4,000	129,083

(Continued)

Croton-Harmon Union Free School District, New York

General Fund

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

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
INSTRUCTION (Continued)					
TEACHING - REGULAR SCHOOL	\$ 16,535,285	\$ 16,557,566	\$ 15,410,118	\$ 70,347	\$ 1,077,101
PROGRAMS FOR STUDENTS WITH DISABILITIES	6,196,353	6,173,827	5,522,428	-	651,399
OCCUPATIONAL EDUCATION	369,056	369,056	369,056	-	-
TEACHING - SPECIAL SCHOOLS	38,050	38,050	6,380	-	31,670
INSTRUCTIONAL MEDIA					
School library and audiovisual	552,315	534,316	499,344	-	34,972
Educational television	25,377	26,127	8,629	-	17,498
Computer assisted instruction	1,632,359	1,780,215	1,737,492	21,408	21,315
Total Instructional Media	2,210,051	2,340,658	2,245,465	21,408	73,785
PUPIL SERVICES					
Attendance- Regular school	-	3,500	3,500	-	-
Guidance - Regular school	960,720	845,720	796,028	-	49,692
Health services - Regular school	391,286	391,287	365,066	144	26,077
Psychological services - Regular school	519,163	535,038	534,116	-	922
Social work services - Regular school	101,106	213,546	156,830	-	56,716
Co-curricular activities - Regular school	310,737	307,238	225,975	-	81,263
Interscholastic athletics - Regular school	1,180,989	1,197,962	1,068,587	-	129,375
Total Pupil Services	3,464,001	3,494,291	3,150,102	144	344,045
Total Instruction	30,968,551	31,156,229	28,753,247	95,899	2,307,083
PUPIL TRANSPORTATION					
District transportation services	3,042,476	3,160,746	2,708,161	-	452,585
Building	104,176	95,989	45,747	-	50,242
Total Pupil Transportation	3,146,652	3,256,735	2,753,908	-	502,827
EMPLOYEE BENEFITS					
State retirement	1,005,931	1,005,931	983,710	-	22,221
Teachers' retirement	2,420,272	2,420,272	2,208,403	-	211,869
Social security	2,554,494	2,382,532	2,217,355	-	165,177
Life insurance	15,000	15,000	10,039	-	4,961
Hospital, medical and dental insurance	4,841,747	4,839,587	4,177,570	-	662,017
Workers' compensation	244,522	244,522	215,750	-	28,772
Unemployment benefits	41,000	41,000	3,513	-	37,487
Disability insurance	5,125	5,125	961	-	4,164
Union welfare benefits	274,260	276,420	276,420	-	-
Other	377,866	377,866	338,563	-	39,303
Total Employee Benefits	11,780,217	11,608,255	10,432,284	-	1,175,971
DEBT SERVICE					
Principal					
Bonds	1,930,000	1,930,000	1,930,000	-	-
Energy performance contract	531,644	531,644	531,643	-	1
	2,461,644	2,461,644	2,461,643	-	1

(Continued)

Croton-Harmon Union Free School District, New York

General Fund

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

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
DEBT SERVICE (Continued)					
Interest					
Bonds	\$ 334,400	\$ 334,400	\$ 334,400	\$ -	\$ -
Bonds anticipation notes	1,147,814	1,121,585	1,121,584	-	1
Energy performance contract	64,791	64,791	64,790	-	1
	<u>1,547,005</u>	<u>1,520,776</u>	<u>1,520,774</u>	<u>-</u>	<u>2</u>
Total Debt Service	<u>4,008,649</u>	<u>3,982,420</u>	<u>3,982,417</u>	<u>-</u>	<u>3</u>
TOTAL EXPENDITURES	<u>58,976,102</u>	<u>59,089,745</u>	<u>53,187,700</u>	<u>1,038,728</u>	<u>4,863,317</u>
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	614,477	3,124,118	3,124,118	-	-
Special Aid Fund	80,000	80,000	43,761	-	36,239
School Lunch Fund	30,000	130,000	130,000	-	-
	<u>724,477</u>	<u>3,334,118</u>	<u>3,297,879</u>	<u>-</u>	<u>36,239</u>
TOTAL OTHER FINANCING USES	<u>724,477</u>	<u>3,334,118</u>	<u>3,297,879</u>	<u>-</u>	<u>36,239</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 59,700,579</u>	<u>\$ 62,423,863</u>	<u>\$ 56,485,579</u>	<u>\$ 1,038,728</u>	<u>\$ 4,899,556</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2025</u>	<u>2024</u>
ASSETS		
Receivables		
Accounts	\$ -	\$ 5,937
State and Federal aid receivable	<u>271,908</u>	<u>521,524</u>
Total Assets	<u>\$ 271,908</u>	<u>\$ 527,461</u>
LIABILITIES		
Accounts payable	\$ 101,160	\$ 48,583
Accrued liabilities	1,051	1,717
Due to other governments	3,018	-
Due to other funds	153,123	457,487
Unearned revenues	<u>13,556</u>	<u>19,674</u>
Total Liabilities	<u>\$ 271,908</u>	<u>\$ 527,461</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Special Aid Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2025</u>	<u>2024</u>
REVENUES		
State aid	\$ 500,232	\$ 240,840
Federal aid	475,118	842,211
Miscellaneous	54,141	81,152
	<u>1,029,491</u>	<u>1,164,203</u>
EXPENDITURES		
Current		
Instruction	980,170	1,129,950
Pupil transportation	93,082	68,543
Employee benefits	-	813
	<u>1,073,252</u>	<u>1,199,306</u>
Deficiency of Revenues Over Expenditures	(43,761)	(35,103)
OTHER FINANCING SOURCES		
Transfers in	<u>43,761</u>	<u>35,103</u>
Net Change in Fund Balance	-	-
FUND BALANCE		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$ 20,637,670	\$ 26,114,317
State and Federal aid receivable	14,687	6,988
Due from other funds	<u>11,389</u>	<u>63,321</u>
Total Assets	<u><u>\$ 20,663,746</u></u>	<u><u>\$ 26,184,626</u></u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 3,981,309	\$ 1,036,248
Bond anticipation notes payable	41,632,595	27,898,845
Due to other funds	<u>151,297</u>	<u>48,504</u>
Total Liabilities	45,765,201	28,983,597
Fund deficit		
Unassigned	<u>(25,101,455)</u>	<u>(2,798,971)</u>
Total Liabilities and Fund Deficit	<u><u>\$ 20,663,746</u></u>	<u><u>\$ 26,184,626</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2025</u>	<u>2024</u>
REVENUES		
State aid	\$ 7,699	\$ 6,988
EXPENDITURES		
Capital outlay	<u>24,919,543</u>	<u>5,828,964</u>
Deficiency of Revenues Over Expenditures	(24,911,844)	(5,821,976)
OTHER FINANCING SOURCES (USES)		
Transfers in	3,124,118	3,261,691
Transfers out	<u>(514,758)</u>	<u>(389,461)</u>
Total Other Financing Sources	<u>2,609,360</u>	<u>2,872,230</u>
Net Change in Fund Balance	(22,302,484)	(2,949,746)
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(2,798,971)</u>	<u>150,775</u>
End of Year	<u><u>\$ (25,101,455)</u></u>	<u><u>\$ (2,798,971)</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

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

PROJECT	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
2018-2020 Building Improvements	\$ 20,820,000	\$ 20,325,714	\$ 494,286	\$ 20,820,000	\$ -
2022 Building Improvements					
District-Wide Roofing	5,024,000	2,701,992	1,420,048	4,122,040	901,960
District-Wide Security	10,377,500	698,244	5,534,093	6,232,337	4,145,163
District-Wide Improvements	30,098,500	1,790,263	17,209,220	18,999,483	11,099,017
Total 2022 Building Improvements	45,500,000	5,190,499	24,163,361	29,353,860	16,146,140
19-20 Bus Purchases	265,000	265,000	-	265,000	-
20-21 Bus Purchases	355,000	238,078	-	238,078	116,922
21-22 Bus Purchases/Charging Stations	252,461	252,461	-	252,461	-
22-23 Bus Purchases	379,925	379,925	-	379,925	-
22-23 (20) Passenger mini-bus	65,800	-	-	-	65,800
23-24 Electric Bus and Charger Station	471,000	-	443,997	443,997	27,003
23-24 (2) Low-speed Electric Utility Vehicles	38,000	33,042	4,958	38,000	-
24-25 Electric Vehicle Bus	495,000	-	-	-	495,000
24-25 Repairs and Maintenance Lift	75,000	-	-	-	75,000
24-25 Bus Purchases	320,000	-	320,000	320,000	-
25-26 Electric Bus Purchases	274,500	-	-	-	274,500
25-26 Bus Purchases	385,000	-	-	-	385,000
Smart School	346,118	338,419	7,699	346,118	-
Totals	\$ 70,042,804	\$ 27,023,138	\$ 25,434,301	\$ 52,457,439	\$ 17,585,365

See independent auditors' report.

Proceeds of Obligations	Methods of Financing			Fund Balance (Deficit) at June 30, 2025	Bond Anticipation Notes June 30, 2025
	Transfers In	Other	Total		
\$ 18,120,000	\$ -	\$ 2,700,000	\$ 20,820,000	\$ -	\$ -
1,867,822	-	-	1,867,822	(2,254,218)	4,122,040
-	-	-	-	(6,232,337)	6,232,337
-	2,500,000	-	2,500,000	(16,499,483)	30,777,801
1,867,822	2,500,000	-	4,367,822	(24,986,038)	41,132,178
265,000	-	-	265,000	-	-
180,000	-	13,078	193,078	(45,000)	45,000
100,984	-	-	100,984	(151,477)	151,477
75,985	-	-	75,985	(303,940)	303,940
-	-	-	-	-	-
-	443,997	-	443,997	-	-
-	38,000	-	38,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	320,000	-	320,000	-	-
-	-	-	-	-	-
-	385,000	-	385,000	385,000	-
-	-	346,118	346,118	-	-
\$ 20,609,791	\$ 3,686,997	\$ 3,059,196	\$ 27,355,984	\$ (25,101,455)	\$ 41,632,595

Croton-Harmon Union Free School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2025
 (With Comparative Totals for 2024)

	School Lunch	Miscellaneous Special Revenue Fund	Debt Service
ASSETS			
Cash and equivalents	\$ 148,138	\$ 190,586	\$ 1,207,743
Receivables			
State and Federal aid receivable	15,655	-	-
Due from other funds	-	-	151,297
	<u>15,655</u>	<u>-</u>	<u>151,297</u>
Inventories	<u>6,412</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 170,205</u>	<u>\$ 190,586</u>	<u>\$ 1,359,040</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	2,179	-	-
Due to other governments	123	764	-
Unearned revenues	103,265	-	-
Total Liabilities	<u>105,567</u>	<u>764</u>	<u>-</u>
Fund balances			
Nonspendable	6,412	-	-
Restricted	-	189,822	1,359,040
Assigned	<u>58,226</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>64,638</u>	<u>189,822</u>	<u>1,359,040</u>
Total Liabilities and Fund Balances	<u>\$ 170,205</u>	<u>\$ 190,586</u>	<u>\$ 1,359,040</u>

See independent auditors' report.

Total Non-Major
Governmental Funds

2025	2024
\$ 1,546,467	\$ 777,532
15,655	11,618
151,297	48,504
166,952	60,122
6,412	7,524
<u>\$ 1,719,831</u>	<u>\$ 845,178</u>
\$ -	\$ 46,578
2,179	283
887	913
103,265	110,200
106,331	157,974
6,412	7,524
1,548,862	629,264
58,226	50,416
1,613,500	687,204
<u>\$ 1,719,831</u>	<u>\$ 845,178</u>

Croton-Harmon Union Free School District, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Years Ended June 30, 2025
 (With Comparative Totals for 2024)

	School Lunch	Miscellaneous Special Revenue Fund	Debt Service
REVENUES			
Use of money and property	\$ -	\$ 876	\$ 155,752
State aid	8,341	-	-
Federal aid	215,693	-	-
Food sales	572,859	-	-
Miscellaneous	11	188,511	408,492
Total Revenues	<u>796,904</u>	<u>189,387</u>	<u>564,244</u>
EXPENDITURES			
Current			
Cost of food sales	920,206	-	-
Other	-	202,775	-
Total Expenditures	<u>920,206</u>	<u>202,775</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(123,302)	(13,388)	564,244
OTHER FINANCING SOURCES (USES)			
Transfers in	130,000	-	494,286
Transfers out	-	-	(125,544)
Total Other Financing Sources	<u>130,000</u>	<u>-</u>	<u>368,742</u>
Net Change in Fund Balances	6,698	(13,388)	932,986
FUND BALANCES			
Beginning of Year	<u>57,940</u>	<u>203,210</u>	<u>426,054</u>
End of Year	<u>\$ 64,638</u>	<u>\$ 189,822</u>	<u>\$ 1,359,040</u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2025	2024
\$ 156,628	\$ 52,976
8,341	8,216
215,693	222,092
572,859	590,690
597,014	307,472
<u>1,550,535</u>	<u>1,181,446</u>
920,206	939,063
202,775	165,949
<u>1,122,981</u>	<u>1,105,012</u>
427,554	76,434
624,286	155,072
(125,544)	-
<u>498,742</u>	<u>155,072</u>
926,296	231,506
<u>687,204</u>	<u>455,698</u>
<u>\$ 1,613,500</u>	<u>\$ 687,204</u>

Croton-Harmon Union Free School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$ 148,138	\$ 195,951
State and Federal aid receivable	15,655	11,618
Inventories	<u>6,412</u>	<u>7,524</u>
Total Assets	<u>\$ 170,205</u>	<u>\$ 215,093</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 46,578
Accrued liabilities	2,179	283
Due to other governments	123	92
Unearned revenues	<u>103,265</u>	<u>110,200</u>
Total Liabilities	<u>105,567</u>	<u>157,153</u>
Fund balance		
Nonspendable	6,412	7,524
Assigned	<u>58,226</u>	<u>50,416</u>
Total Fund Balance	<u>64,638</u>	<u>57,940</u>
Total Liabilities and Fund Balance	<u>\$ 170,205</u>	<u>\$ 215,093</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New YorkSchool Lunch Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2025</u>	<u>2024</u>
REVENUES		
State aid	\$ 8,341	\$ 8,216
Federal aid	215,693	222,092
Food sales	572,859	590,690
Miscellaneous	11	-
	<u>796,904</u>	<u>820,998</u>
Total Revenues	796,904	820,998
EXPENDITURES		
Current		
Cost of food sales	<u>920,206</u>	<u>939,063</u>
Deficiency of Revenues Over Expenditures	(123,302)	(118,065)
OTHER FINANCING SOURCES		
Transfers in	<u>130,000</u>	<u>155,000</u>
Net Change in Fund Balance	6,698	36,935
FUND BALANCE		
Beginning of Year	<u>57,940</u>	<u>21,005</u>
End of Year	<u><u>\$ 64,638</u></u>	<u><u>\$ 57,940</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Miscellaneous Special Revenue Fund
Comparative Balance Sheet
June 30,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	<u>\$ 190,586</u>	<u>\$ 204,031</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other governments	\$ 764	\$ 821
Fund balance		
Restricted	<u>189,822</u>	<u>203,210</u>
Total Liabilities and Fund Balance	<u>\$ 190,586</u>	<u>\$ 204,031</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Miscellaneous Special Revenue Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2025</u>	<u>2024</u>
REVENUES		
Use of money and property	\$ 876	\$ 1,127
Miscellaneous	<u>188,511</u>	<u>181,928</u>
Total Revenues	<u>189,387</u>	<u>183,055</u>
EXPENDITURES		
Current		
Other	<u>202,775</u>	<u>165,949</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,388)	17,106
FUND BALANCE		
Beginning of Year	<u>203,210</u>	<u>186,104</u>
End of Year	<u><u>\$ 189,822</u></u>	<u><u>\$ 203,210</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$ 1,207,743	\$ 377,550
Due from other funds	<u>151,297</u>	<u>48,504</u>
Total Assets	<u>\$ 1,359,040</u>	<u>\$ 426,054</u>
FUND BALANCE		
Restricted	<u>\$ 1,359,040</u>	<u>\$ 426,054</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Debt Service Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2025</u>	<u>2023</u>
REVENUES		
Use of money and property	\$ 155,752	\$ 51,849
Miscellaneous	<u>408,492</u>	<u>125,544</u>
Total Revenues	564,244	177,393
OTHER FINANCING SOURCES (USES)		
Transfers in	494,286	72
Transfers out	<u>(125,544)</u>	<u>-</u>
Total Other Financing Sources	<u>368,742</u>	<u>72</u>
Net Change in Fund Balance	932,986	177,465
FUND BALANCE		
Beginning of Year	<u>426,054</u>	<u>248,589</u>
End of Year	<u><u>\$ 1,359,040</u></u>	<u><u>\$ 426,054</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

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

Adopted Budget	\$ 58,798,307
Additions - Encumbrances	<u>902,272</u>
Original Budget	59,700,579
Budget Amendments	<u>2,723,284</u>
Final Budget	<u><u>\$ 62,423,863</u></u>

General Fund
Section 1318 of Real Property Tax Law Limit Calculation

2025-26 Expenditure Budget	\$ <u>60,996,050</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 3,504,343
Unassigned fund balance	<u>2,439,842</u>
Total Unrestricted Fund Balance	<u>5,944,185</u>
Less	
Appropriated for subsequent year's budget	2,465,615
Encumbrances	<u>1,038,728</u>
Total Adjustments	<u>3,504,343</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$ <u><u>2,439,842</u></u>
Actual Percentage	<u><u>4.00%</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Schedule of Net Investment in Capital Assets

Year Ended June 30, 2025

Capital Assets, net		\$ 93,950,108
Less		
General obligation bonds payable	\$ (5,320,000)	
Energy performance contract payable	(3,125,523)	
Bond anticipation notes payable	(41,632,595)	
Accounts payable	(3,981,309)	
Unamortized portion of issuance premium on bonds	<u>(1,789,645)</u>	(55,849,072)
Plus		
Unexpended bond proceeds		<u>20,127,449</u>
Net Investment in Capital Assets		<u>\$ 58,228,485</u>

See independent auditors' report.

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

Independent Auditors' Report

**The Board of Education of the
Croton-Harmon Union Free 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 Croton-Harmon Union Free 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 October 9, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 9, 2025