

ELMSFORD UNION FREE
SCHOOL DISTRICT
Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report
June 30, 2025

ELMSFORD UNION FREE SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Elmsford Union Free School District:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in note 16 to the financial statements, a restatement of the prior year financial statements was made during the year ended June 30, 2025. Our opinions are not modified with respect 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information on pages 53 through 56 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 8, 2025

ELMSFORD UNION FREE SCHOOL DISTRICT

Management's Discussion and Analysis

June 30, 2025

The following is a discussion and analysis of the Elmsford Union Free School District's (the District) financial performance for the fiscal year ended June 30, 2025. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025 are as follows:

- The proposed 2024-2025 budget in the amount of \$45,315,278 was authorized by the District's residents.
- The District's total net position, as reflected in the District-Wide financial statements increased to \$2,324,300.
- The District continues to maintain its buildings and complete various District-Wide projects with amounts budgeted and authorized by the District's residents.
- New York State Law limits the amount of unassigned and assigned fund balance, exclusive of encumbrances and amounts designated for the subsequent year's budget, that can be retained by the General Fund, to 4% of the ensuing year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,891,217 or 4.00%, and therefore within the statutory limit.
- The District restated the prior year balance in relation to the workers' compensation liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

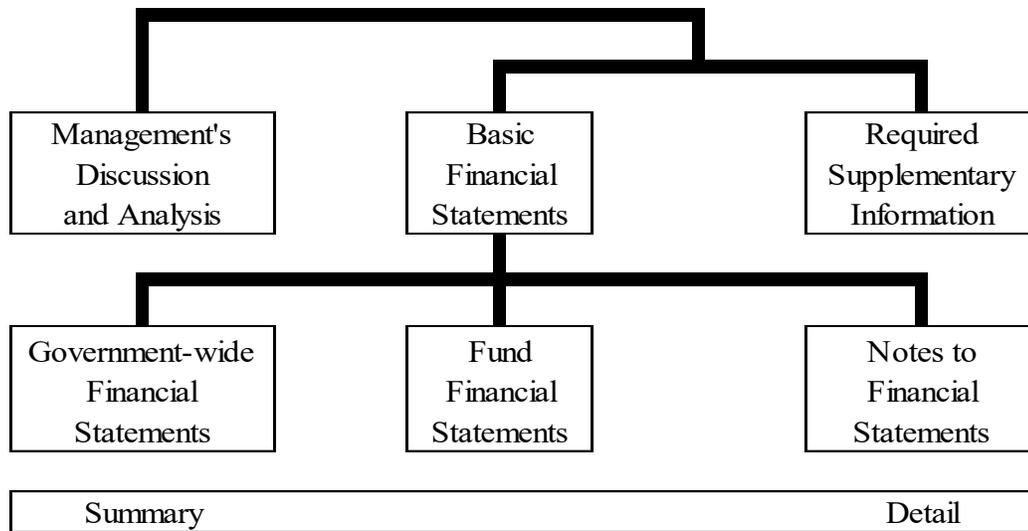
- The first two statements are District-Wide financial statements that provide both short-term and long-term information about the District's overall financial status.

ELMSFORD UNION FREE SCHOOL DISTRICT
 Management's Discussion and Analysis, Continued

- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the operations in more detail than the District-Wide financial Statements. The Governmental Fund Statements tell how basic services such as instruction and support functions were financed in the short term as well as what remains for future spending.

The notes to the basic financial statements provide additional information about the basic financial statements and the balances reported. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. The following table shows how the various parts of this annual report are arranged and related to one another.

Organization of the District's Annual Financial Report



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

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Major Features of the District-Wide Financial Statements and Fund Financial Statements

Description	District-wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire District	The day-to-day operating activities of the District, such as special education and instruction
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Current assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

District-Wide Financial Statements

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

The two District-Wide financial statements report the District's net position and how it has changed. Net position, the difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

- Over time, increases and decreases in net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

District-Wide financial statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the statement of net position:

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;
- Depreciate capital assets and allocate the depreciation to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - Net investment in capital assets;
 - Restricted net position are those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation; and
 - Unrestricted net position are net position that do not meet any of the above restrictions.

Fund Financial Statements:

The Fund Financial Statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York. The District has one kind of fund:

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

- **Governmental funds:** Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Financial Statements, additional information in a separate reconciliation schedule explains the relationship (or differences) between them. In summary, the Governmental Fund Financial Statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, capital projects fund, special aid fund, school lunch fund, miscellaneous special revenue fund, and debt service fund. Required statements are the Balance Sheet and the Statement of Revenue, Expenditures and Changes in Fund Balances.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's net position increased by \$115,943 in the year ended June 30, 2025 as detailed in the table that follows:

	<u>2025</u>	<u>2024*</u>	<u>Change</u>
Assets:			
Current and other assets	\$ 52,244,656	49,387,388	2,857,268
Capital assets	<u>21,565,122</u>	<u>21,465,223</u>	<u>99,899</u>
Total assets	<u>73,809,778</u>	<u>70,852,611</u>	<u>2,957,167</u>
Deferred outflows of resources	<u>15,543,133</u>	<u>20,320,969</u>	<u>(4,777,836)</u>
Liabilities:			
Current	3,937,349	4,118,309	(180,960)
Noncurrent	<u>58,601,505</u>	<u>66,898,058</u>	<u>(8,296,553)</u>
Total liabilities	<u>62,538,854</u>	<u>71,016,367</u>	<u>(8,477,513)</u>
Deferred inflows of resources	<u>24,489,757</u>	<u>17,948,856</u>	<u>6,540,901</u>
Net position:			
Net investment in capital assets	14,855,953	14,379,580	476,373
Restricted	43,793,906	41,771,962	2,021,944
Unrestricted (deficit)	<u>(56,325,559)</u>	<u>(53,943,185)</u>	<u>(2,382,374)</u>
Total net position	<u>\$ 2,324,300</u>	<u>2,208,357</u>	<u>115,943</u>

*Restated for correction of error.

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Current and other assets increased \$2,857,268 primarily due to the net pension asset for the teachers' retirement system (TRS) being a liability in the prior year.

Capital assets (net of depreciation) increased \$99,899 primarily due to additions exceeding depreciation expense and disposals.

The changes in deferred outflows of resources relate to changes in the District's pension and other postemployment benefits plans. Factors affecting the District's pension plans include amortization of pension related items, contributions subsequent to the measurement date, and changes in actuarial assumptions. Factors affecting the District's other postemployment benefit plan include service costs, interest costs, and changes in actuarial assumptions.

Current liabilities decreased \$180,960 primarily due to a decrease in accrued liabilities.

Noncurrent liabilities decreased by \$8,296,553 which was primarily due to the decrease in the total other postemployment benefit obligation and the TRS pension plan becoming an asset.

The changes in deferred inflows of resources relate to changes in the District's pension and other postemployment benefits plans. Factors affecting the District's pension plans include amortization of pension related items, contributions subsequent to the measurement date, and changes in actuarial assumptions. Factors affecting the District's other postemployment benefit plan include service costs, interest costs, and changes in actuarial assumptions.

The net investment in capital assets relates to the investment in capital assets at cost such as land, construction in progress, buildings and improvements, and furniture and equipment, net of depreciation and related debt (including debt related items such as premiums and deferred charges). This number increased from the prior year by \$476,373 due to current year capital asset additions.

The restricted net position at June 30, 2025, relates to the District's reserves and restricted amounts for special purposes. Restricted net position increased by \$2,021,944.

The unrestricted net deficit at June 30, 2025 of \$56,525,559 relates to the balance of the District's net position. The unrestricted net deficit increased by \$2,382,374.

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Changes in Net Position

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Revenue:			
Program revenue:			
Charges for services	\$ 201,695	234,778	(33,083)
Operating grants	2,240,833	2,425,638	(184,805)
General revenue:			
Property and other taxes	36,120,727	35,517,483	603,244
State sources	8,276,965	7,246,282	1,030,683
Other	<u>2,621,706</u>	<u>3,006,554</u>	<u>(384,848)</u>
Total revenue	<u>49,461,926</u>	<u>48,430,735</u>	<u>1,031,191</u>
Expenses:			
General support	7,430,220	5,781,841	1,648,379
Instruction	36,189,758	35,101,293	1,088,465
Pupil transportation	4,912,959	4,696,335	216,624
Community services	4,944	5,267	(323)
Cost of food sales	604,663	544,218	60,445
Interest	<u>203,439</u>	<u>214,689</u>	<u>(11,250)</u>
Total expenses	<u>49,345,983</u>	<u>46,343,643</u>	<u>3,002,340</u>
Change in net position	<u>\$ 115,943</u>	<u>2,087,092</u>	<u>(1,971,149)</u>

The District's fiscal year 2025 revenue totaled \$49,461,926. Property and other taxes and state sources accounted for most of the District's revenue by contributing 73% and 16%, respectively, of total revenue. The remainder came from fees charged for services, grants and contributions, use of money and property, and other miscellaneous sources.

The cost of all programs and services totaled \$49,345,983 for fiscal year 2025. These expenses are predominantly related to instruction, which account for 72% of District expenses.

The users of the District's programs financed \$201,695 of the cost. The Federal and State governments along with external donors subsidized certain programs with grants and contributions of \$2,240,833. The remainder of the District's costs were financed primarily by District taxpayers and state sources.

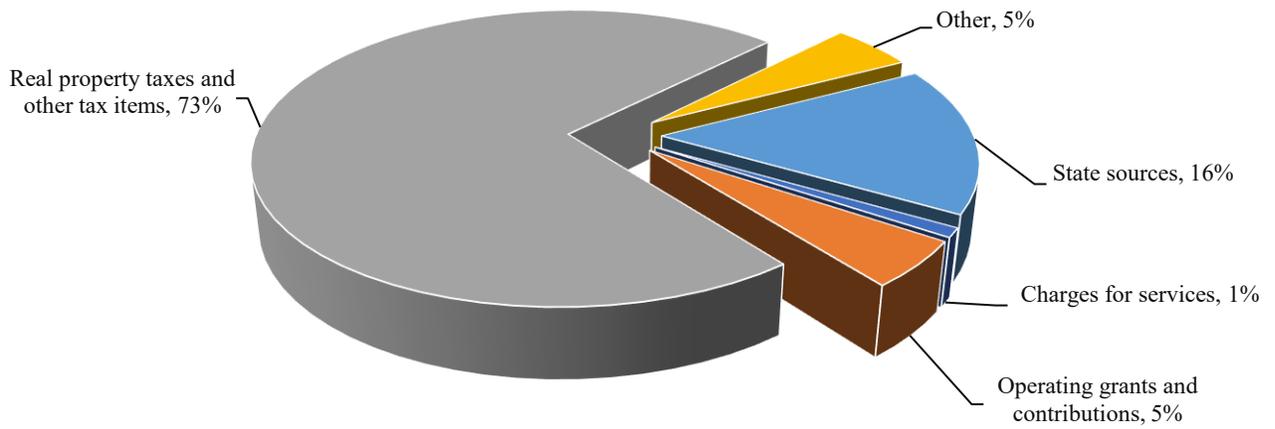
ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Governmental Activities:

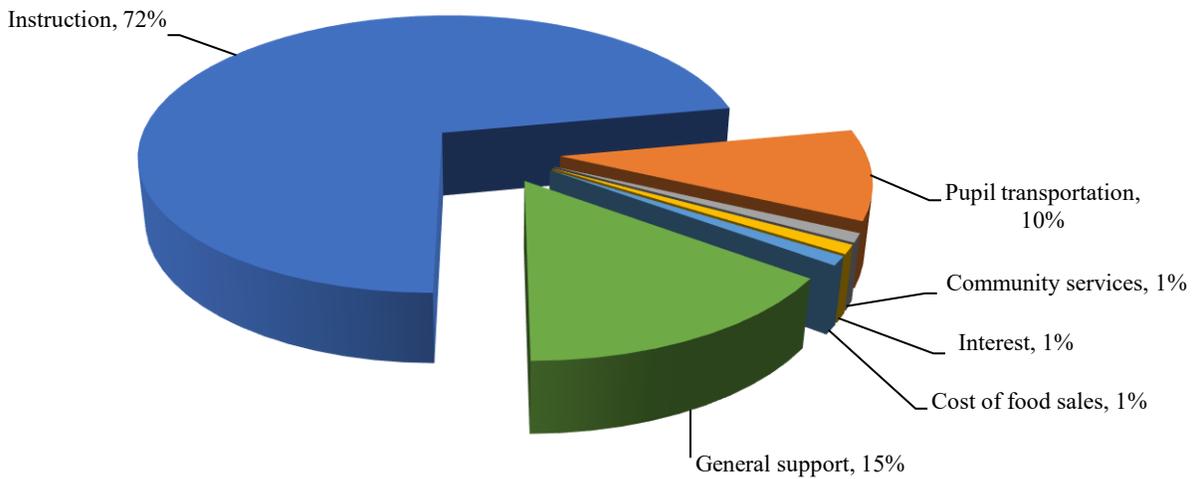
The continuation of the overall financial position will be positive and is due to the following:

- Continued leadership of the District's Board and administration;
- Strategic use of services from BOCES.

Revenue for Fiscal Year 2025



Expenses for Fiscal Year 2025



ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variations between years for the fund financial statements are not the same as variations between years for the District-Wide financial statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term liabilities, certain deferred outflows or inflows, and capital assets purchased by the District. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt, and the current payments on other long-term liabilities.

As of June 30, 2025, the District's combined governmental funds reported a total fund balance of \$46,323,001, which is an increase of \$687,769 from the prior year.

A summary of the change in fund balance for all the funds is as follows:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
General fund:			
Restricted:			
Tax certiorari	\$11,809,574	12,457,241	(647,667)
Employee benefit accrued liability	993,228	1,019,247	(26,019)
Capital	24,070,809	23,967,988	102,821
Workers' compensation	401,579	384,587	16,992
Retirement contribution - ERS	368,755	353,152	15,603
Retirement contribution - TRS	1,653,315	1,583,358	69,957
Repair	1,952,655	1,888,014	64,641
Assigned:			
Encumbrances	2,207,134	1,121,611	1,085,523
Designated for subsequent year's expenditures	417,241	417,241	-
Unassigned	<u>1,891,217</u>	<u>1,812,610</u>	<u>78,607</u>
Total general fund	<u>45,765,507</u>	<u>45,005,049</u>	<u>760,458</u>
Capital projects fund - restricted	<u>43,261</u>	<u>43,261</u>	<u>-</u>
School lunch fund:			
Nonspendable	1,131	231	900
Assigned:			
Encumbrances	-	190,490	(190,490)
Surplus	<u>427,995</u>	<u>321,087</u>	<u>106,908</u>
Total school lunch fund	<u>429,126</u>	<u>511,808</u>	<u>(82,682)</u>

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Miscellaneous special revenue fund:			
Restricted:			
Scholarships and donations	\$ 8,767	10,767	(2,000)
Extraclassroom	<u>46,555</u>	<u>34,562</u>	<u>11,993</u>
Total miscellaneous special revenue fund	<u>55,322</u>	<u>45,329</u>	<u>9,993</u>
Debt service fund - restricted	<u>29,785</u>	<u>29,785</u>	<u>-</u>
Total fund balance - all funds	<u>\$46,323,001</u>	<u>45,635,232</u>	<u>687,769</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

2024-2025 Budget

The District's general fund original budget for the fiscal year ended June 30, 2025 was \$45,315,278. This amount was increased by encumbrances carried forward from the prior year in the amount of \$1,121,611, and budget revisions of \$3,275,592, bringing the final budget to \$49,712,481.

Change in the General Fund Unassigned Fund Balance (Budget to Actual)

The general fund unassigned fund balance is a component to total fund balance that is the residual of prior years' excess revenue over expenditures, net of transfers to reserves and assignments to fund subsequent years' budget. It is this balance that is commonly referred to as fund balance. The change in this balance demonstrated through a comparison of the actual revenue and expenditures for the year compared to budget are as follows:

Opening, unassigned fund balance	\$ 1,812,610
Revenue over budget	2,217,116
Expenditures and encumbrances under budget	1,150,652
Budget revisions	(3,275,592)
Appropriated for 2025-2026 budget	(417,241)
Use of reserves	1,689,774
Interest allocated to reserves	<u>(1,286,102)</u>
Closing, unassigned fund balance	\$ <u>1,891,217</u>

The opening unassigned fund balance of \$1,812,610 is the June 30, 2024 unassigned fund balance.

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

The revenue over budget of \$2,217,116 was primarily in other real property tax items, use of money and property, state aid, and miscellaneous income. Refer to the Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund for more details.

The expenditures and encumbrances under budget of \$1,150,652 reflect savings across the budget. Refer to the Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund for more details.

The District used a net \$1,689,774 of reserves based on Board of Education approved resolutions. The District also allocated \$1,286,102 of interest to the reserves.

The District has chosen to appropriate \$417,241 of its available June 30, 2025 fund balance to partially fund its 2025-2026 approved operating budget. The District also made \$3,275,592 of budgetary revisions to its 2024-2025 budget.

The District will close the 2024-2025 fiscal year with \$1,891,217 in unassigned fund balance. New York State Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is within this legal limit.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District paid for equipment, and various building additions and renovations during the 2025 fiscal year. A summary of the District's capital assets net of depreciation are as follows:

Capital Assets (Net of Accumulated Depreciation)

<u>Category</u>	<u>2025</u>	<u>2024</u>	<u>Change</u>
Land	\$ 177,800	177,800	-
Construction in progress	579,763	-	579,763
Buildings and improvements	38,386,665	38,166,718	219,947
Machinery and equipment	1,893,308	1,556,824	336,484
Land improvements	<u>182,522</u>	<u>182,522</u>	<u>-</u>
	41,220,058	40,083,864	1,136,194
Less accumulated depreciation	<u>19,654,936</u>	<u>18,618,641</u>	<u>1,036,295</u>
Change in capital assets	<u>\$ 21,565,122</u>	<u>21,465,223</u>	<u>99,899</u>

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Long-Term Debt

At June 30, 2025, the District had total debt payable of \$6,690,000. The decrease is due to principal payments made in the current year. A summary of outstanding debt at June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>	<u>Decrease</u>
Bonds payable	\$ <u>6,690,000</u>	<u>7,065,000</u>	<u>375,000</u>

FACTORS BEARING ON THE DISTRICT'S FUTURE

The general fund budget for the 2025-2026 school year in the amount of \$47,280,512 was approved by voters. This represents an increase of \$1,965,234 from the previous year's budget.

Future budgets may be negatively affected by certain trends impacting school districts. These factors include rising health care premiums, increased costs associated with meeting the requirements for instructional services and the property tax cap which will continue to impact the District's ability to fund its current cost of services.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

Elmsford Central School District
Mr. Todd Currie
Assistant Superintendent for Finance and Operations
98 South Goodwin Avenue
Elmsford, New York 10503 914-592-2276

ELMSFORD UNION FREE SCHOOL DISTRICT
Statement of Net Position
Governmental Activities
June 30, 2025

<u>Assets</u>	
Current assets:	
Cash and equivalents - unrestricted	\$ 415,202
Cash and equivalents - restricted	13,084,077
Investments	34,536,919
Receivables:	
Accounts receivable	7,501
State and Federal aid	1,517,840
Due from other governments	266,363
Inventory	1,131
Total current assets	49,829,033
Noncurrent assets:	
Land	177,800
Construction in progress	579,763
Capital assets - depreciable, net	20,807,559
Net pension asset - teachers' retirement system - proportionate share	2,415,623
Total noncurrent assets	23,980,745
Total assets	73,809,778
<u>Deferred outflows of resources</u>	
OPEB	9,095,757
Pension - ERS	641,153
Pension - TRS	5,806,223
Total deferred outflows of resources	15,543,133
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	1,341,573
Accrued liabilities	142,364
Accrued interest	102,456
Due to other governments	12,921
Due to teachers' retirement system	1,852,481
Due to employees' retirement system	94,080
Bonds payable, including premium	391,474
Total current liabilities	3,937,349
Noncurrent liabilities:	
Bonds payable, including premium	6,317,695
Compensated absences	993,228
Total OPEB liability	49,759,594
Net pension liability - employees' retirement system - proportionate share	1,219,031
Workers' compensation	311,957
Total noncurrent liabilities	58,601,505
Total liabilities	62,538,854
<u>Deferred inflows of resources</u>	
OPEB	21,413,033
Pension - ERS	70,549
Pension - TRS	2,943,562
Unearned revenue	62,613
Total deferred inflows of resources	24,489,757
<u>Net position</u>	
Net investment in capital assets	14,855,953
Restricted	43,793,906
Unrestricted (deficit)	(56,325,559)
Total net position	\$ 2,324,300

See accompanying notes to financial statements.

ELMSFORD UNION FREE SCHOOL DISTRICT
Statement of Activities
Governmental Activities
Year ended June 30, 2025

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Net Expense and Changes in Net Position
Functions and programs:				
General support	\$ 7,430,220	-	-	(7,430,220)
Instruction	36,189,758	166,015	1,591,200	(34,432,543)
Pupil transportation	4,912,959	-	-	(4,912,959)
Community services	4,944	-	-	(4,944)
Cost of food sales	604,663	35,680	649,633	80,650
Interest	203,439	-	-	(203,439)
	<u>\$ 49,345,983</u>	<u>201,695</u>	<u>2,240,833</u>	<u>(46,903,455)</u>
General revenue:				
Real property taxes				35,088,827
Other real property tax items				1,031,900
Use of money and property				2,307,789
State sources				8,276,965
Federal sources				48,280
Miscellaneous				265,637
				<u>47,019,398</u>
Change in net position				<u>115,943</u>
Net position at beginning of year, before restatement				2,571,567
Correction of error (note 16)				<u>(363,210)</u>
Net position at beginning of year, as restated				<u>2,208,357</u>
Net position at end of year				<u>\$ 2,324,300</u>

See accompanying notes to financial statements.

ELMSFORD UNION FREE SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2025

	<u>General</u>	<u>Capital Projects</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Miscellaneous</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<u>Assets</u>							
Cash and equivalents - unrestricted	\$ -	-	-	415,202	-	-	415,202
Cash and equivalents - restricted	12,984,638	41,287	-	-	58,152	-	13,084,077
Investments	34,536,919	-	-	-	-	-	34,536,919
Receivables:							
Accounts receivable	7,501	-	-	-	-	-	7,501
State and Federal aid	611,724	-	862,333	43,783	-	-	1,517,840
Due from other governments	266,363	-	-	-	-	-	266,363
Due from other funds	643,991	1,974	-	-	-	29,785	675,750
Inventory	-	-	-	1,131	-	-	1,131
Total assets	<u>\$ 49,051,136</u>	<u>43,261</u>	<u>862,333</u>	<u>460,116</u>	<u>58,152</u>	<u>29,785</u>	<u>50,504,783</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>							
Liabilities:							
Accounts payable	1,174,200	-	163,802	741	2,830	-	1,341,573
Accrued liabilities	130,922	-	11,442	-	-	-	142,364
Due to other governments	12,916	-	-	5	-	-	12,921
Due to other funds	-	-	662,361	13,389	-	-	675,750
Due to teachers' retirement system	1,852,481	-	-	-	-	-	1,852,481
Due to employees' retirement system	94,080	-	-	-	-	-	94,080
Total liabilities	<u>3,264,599</u>	<u>-</u>	<u>837,605</u>	<u>14,135</u>	<u>2,830</u>	<u>-</u>	<u>4,119,169</u>
Deferred inflows of resources - unearned revenue	<u>21,030</u>	<u>-</u>	<u>24,728</u>	<u>16,855</u>	<u>-</u>	<u>-</u>	<u>62,613</u>
Fund balances:							
Nonspendable	-	-	-	1,131	-	-	1,131
Restricted	41,249,915	43,261	-	-	55,322	29,785	41,378,283
Assigned	2,624,375	-	-	427,995	-	-	3,052,370
Unassigned	1,891,217	-	-	-	-	-	1,891,217
Total fund balances	<u>45,765,507</u>	<u>43,261</u>	<u>-</u>	<u>429,126</u>	<u>55,322</u>	<u>29,785</u>	<u>46,323,001</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 49,051,136</u>	<u>43,261</u>	<u>862,333</u>	<u>460,116</u>	<u>58,152</u>	<u>29,785</u>	<u>50,504,783</u>

See accompanying notes to financial statements.

ELMSFORD UNION FREE SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2025

Total governmental fund balances		\$ 46,323,001
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The assets consist of:		
Land	\$ 177,800	
Construction in progress	579,763	
Capital assets - depreciable, net	<u>20,807,559</u>	
Total capital assets		21,565,122
Some deferred outflows of resources and deferred inflows of resources are not reported in the governmental funds. These consist of the following:		
Deferred outflows of resources - OPEB	9,095,757	
Deferred outflows of resources - pension - ERS	641,153	
Deferred outflows of resources - pension - TRS	5,806,223	
Deferred inflows of resources - OPEB	(21,413,033)	
Deferred inflows of resources - pension - ERS	(70,549)	
Deferred inflows of resources - pension - TRS	<u>(2,943,562)</u>	(8,884,011)
Long-term liabilities that are not due and payable in the current period are not reported in the governmental funds:		
Bonds payable	(6,690,000)	
Premium on bonds payable	(19,169)	
Accrued interest	(102,456)	
Compensated absences	(993,228)	
Total OPEB liability	(49,759,594)	
Net pension liability - employees' retirement system	(1,219,031)	
Net pension asset - teachers' retirement system	2,415,623	
Workers' compensation	<u>(311,957)</u>	<u>(56,679,812)</u>
Total net position at end of year		<u>\$ 2,324,300</u>

See accompanying notes to financial statements.

ELMSFORD UNION FREE SCHOOL DISTRICT
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended June 30, 2025

	<u>General</u>	<u>Capital Projects</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Miscellaneous</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Revenue:							
Real property taxes	\$ 35,088,827	-	-	-	-	-	35,088,827
Other real property tax items	1,031,900	-	-	-	-	-	1,031,900
Charges for services	95,756	-	-	-	70,259	-	166,015
Use of money and property	2,307,789	-	-	-	-	-	2,307,789
State sources	8,276,965	-	724,413	135,592	-	-	9,136,970
Federal sources	48,280	-	866,787	514,041	-	-	1,429,108
Food sales	-	-	-	35,680	-	-	35,680
Miscellaneous	265,636	-	-	1	-	-	265,637
Total revenue	<u>47,115,153</u>	<u>-</u>	<u>1,591,200</u>	<u>685,314</u>	<u>70,259</u>	<u>-</u>	<u>49,461,926</u>
Expenditures:							
General support	6,262,127	-	-	-	-	-	6,262,127
Instruction	24,092,994	-	1,531,070	-	60,266	-	25,684,330
Pupil transportation	4,577,715	-	257,664	-	-	-	4,835,379
Community services	3,278	-	-	-	-	-	3,278
Cost of food sales	-	-	-	797,658	-	-	797,658
Employee benefits	8,596,196	-	47,068	-	-	-	8,643,264
Debt service:							
Principal	-	-	-	-	-	375,000	375,000
Interest	-	-	-	-	-	210,538	210,538
Capital outlay	-	1,962,583	-	-	-	-	1,962,583
Total expenditures	<u>43,532,310</u>	<u>1,962,583</u>	<u>1,835,802</u>	<u>797,658</u>	<u>60,266</u>	<u>585,538</u>	<u>48,774,157</u>
Excess (deficiency) of revenue over expenditures	<u>3,582,843</u>	<u>(1,962,583)</u>	<u>(244,602)</u>	<u>(112,344)</u>	<u>9,993</u>	<u>(585,538)</u>	<u>687,769</u>
Other financing sources (uses):							
Transfers in	-	1,962,583	244,602	29,662	-	585,538	2,822,385
Transfers out	(2,822,385)	-	-	-	-	-	(2,822,385)
Total other financing sources (uses)	<u>(2,822,385)</u>	<u>1,962,583</u>	<u>244,602</u>	<u>29,662</u>	<u>-</u>	<u>585,538</u>	<u>-</u>
Changes in fund balances	760,458	-	-	(82,682)	9,993	-	687,769
Fund balances at beginning of year	45,005,049	43,261	-	511,808	45,329	29,785	45,635,232
Fund balances at end of year	<u>\$ 45,765,507</u>	<u>43,261</u>	<u>-</u>	<u>429,126</u>	<u>55,322</u>	<u>29,785</u>	<u>46,323,001</u>

See accompanying notes to financial statements.

ELMSFORD UNION FREE SCHOOL DISTRICT
 Reconciliation of the Statement of Revenue, Expenditures and
 Changes in Fund Balances - Governmental Funds to the Statement of Activities
 Year ended June 30, 2025

Net change in fund balances		\$ 687,769
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures.		
However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than the total capital outlay since the capital outlay includes amounts under the capitalization threshold.		
Additions of capital assets	\$ 1,142,782	
Depreciation expense	(1,039,538)	
Disposal of capital assets	<u>(3,345)</u>	99,899
Repayment of bonds, capital leases, and energy performance contract debt principal is an expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. Also, the governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal paid on bonds payable	375,000	
Amortization of premium on bonds payable	<u>1,474</u>	376,474
Some expenses reported in the statement if activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Accrued interest	5,625	
Compensated absences	26,019	
Other postemployment benefits	(1,483,386)	
Employees' retirement system	85,071	
Teachers' retirement system	267,219	
Workers' compensation	<u>51,253</u>	<u>(1,048,199)</u>
Change in net position of governmental activities		<u>\$ 115,943</u>

See accompanying notes to financial statements.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies

The financial statements of the Elmsford Union Free School District (the District) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

(a) Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14 - "The Financial Reporting Entity," as amended by GASB Statement No. 39 - "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61 - "The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34." The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the District's reporting entity.

(b) Joint Venture

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

BOCES is organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)).

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Joint Venture, Continued

In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative, program and capital costs is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$4,501,532 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$617,349. Copies of financial statements for BOCES can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

(c) Basis of Presentation

District-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

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

Fund Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The following comprise the District's Governmental Funds:

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

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

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

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

School Lunch Fund - This fund is used to account for the activities of the District's food service operations. The school lunch operations are supported by federal and state grants and charges to participants for its services.

Miscellaneous Special Revenue Fund - This fund is used to account for assets held by the District in accordance with grantor or contributor stipulations for scholarships and awards. Other activities included in this fund are extraclassroom activities.

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

(d) Measurement Focus and Basis of Accounting

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

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within six months after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

(e) Real Property Taxes

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

Calendar - Real property taxes are levied annually by the Board of Education no later than November 1st.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Real Property Taxes, Continued

Enforcement - Real property taxes become an enforceable lien on real property as of July 1st and are payable in two installments in September and January. The Town of Greenburgh, New York, is responsible for the billing and collection of these taxes and guarantees the full payment of the District warrant and assumes responsibility for uncollected taxes.

(f) Restricted Resources

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

(g) Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flows. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenue to provide financing or other services. In the District-Wide statements, the interfund receivables and payables have been eliminated.

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

(h) Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and deferred outflows, liabilities and deferred inflows, and disclosure of contingent items, at the date of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, other postemployment benefits, potential contingent liabilities, net pension asset and/or liabilities, and useful lives of capital assets.

(i) Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand and demand deposits. For purposes of presenting the statement of cash flows, the District considers all highly liquid short-term investments with an original maturity of three months or less from date of purchase to be cash or cash equivalents.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Investments

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the assets or liabilities; and
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District assess the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy.

(k) Receivables

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

(l) Prepaid Items and Inventories

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the United States Department of Agriculture, at the Government's stated value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenses/expenditures at the time of purchase, and are considered immaterial in amount.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Prepaid Items and Inventories, Continued

Nonspendable fund balance for these non-liquid assets (inventories) has been recognized in the school lunch fund to signify that a portion of fund balance is not available for other subsequent expenditures.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-Wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. The District had no prepaid items as of June 30, 2025.

(m) Capital Assets

Capital assets are reflected in the District-Wide statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the time received.

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 2,500	20 - 50 years
Machinery and equipment	2,500	5 - 20 years
Land improvements	2,500	20 - 40 years

(n) Collections in Advance

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenue is recorded. Collections in advance as of June 30, 2025 consisted of unearned grant revenue received in advance in the general fund, state and federal aid received in advance in the special aid fund, and prepaid balances for meals in the school lunch fund.

(o) Deferred Outflows And Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. These amounts are related to pensions and other postemployment benefits liability reported in the District-Wide statement of net position.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Deferred Outflows And Inflows of Resources, Continued

Deferred inflows of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The District has two items that qualify for reporting in this category. These amounts are related to pensions and other postemployment benefits liability, which are reported in the District-Wide statement of net position.

(p) Vested Employee Benefits

Compensated absences consist of unpaid accumulated annual sick leave and vacation time.

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

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

Consistent with GASB Statement No. 101 - "Compensated Absences," the liability has been calculated using the vesting method and an accrual for that liability is included in the District-Wide statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund statements only, the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis. The liability is reported only for payments due for unused compensated absences for those employees who have obligated themselves to separate from service with the District by June 30th.

(q) Other Benefits

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Section 403(b).

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payments). In the District-Wide financials statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Short-Term Debt

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

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

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

(s) Accrued Liabilities and Long-Term Obligations

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

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

(t) Leases

The District has performed an evaluation of its leasing transactions, and determined that their was no material impact on the financial statements of the District.

(u) Equity Classifications

District-Wide Statements

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

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets, net of any unexpended proceeds and including any unamortized premiums.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classifications, Continued

District-Wide Statements, Continued

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

Unrestricted net position - reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Statements

There are five classifications of fund balance as detailed below; however, in the fund financial statements there are four classifications of fund balance presented:

- Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- Restricted fund balance - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

Tax Certiorari Reserve - Tax certiorari reserve (ED § 3651 [1-a]) permits the establishment of a reserve fund for tax certiorari and to expend from the fund without voter approval of the qualified voters of the school district. The total of the monies held in the reserve fund shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings in accordance with Article 7 of the Real Property Tax Law. This reserve is accounted for in the general fund and amounted to \$11,809,574 as of June 30, 2025.

Employee Benefit Accrued Liability Reserve - Employee benefit accrued liability reserve (GML§6-p), must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve typically approximates the District's compensated absences liability. The reserve is accounted for in the general fund and amounted to \$993,228 as of June 30, 2025.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classifications, Continued

Capital Reserve - Capital reserve (EL§3651), must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. The capital reserves can only be funded to the amount authorized by voters plus any interest earned on the reserve. This reserve is accounted for in the general fund and the capital projects fund and amounted to \$24,070,809 and \$43,261 as of June 30, 2025 in the general fund and the capital projects fund, respectively.

Workers' Compensation Reserve - Workers' compensation reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. There is no specified statutory maximum of this reserve. This reserve is accounted for in the general fund and amounted to \$401,579 as of June 30, 2025.

Retirement Contributions Reserve - Retirement Contribution Reserve (GML§6-r), must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This is limited to the amount payable to the New York State and Local Employees' Retirement System. This reserve is accounted for in the general fund and amounted to \$368,755 as of June 30, 2025. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers' Retirement System subfund is subject to contribution limits. This is limited to 10% of the total compensation or salaries of teachers who are members of the New York State Teachers' Retirement System of the immediately preceding fiscal year. This reserve is accounted for in the general fund and amounted to \$1,653,315 as of June 30, 2025.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classifications, Continued

Repair Reserve - Repair reserve (GML§6-d) is used to pay the costs of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval may establish a repair reserve fund by a majority of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. The maximum of this reserve is a reasonable amount needed for repairs. This reserve is accounted for in the general fund and amounted to \$1,952,655 as of June 30, 2025.

Debt Service - Debt service accumulates funds from unused bond proceeds and interest earnings. The accumulated funds must be used to offset the cost of the bond principal and interest payments. This reserve is accounted for in the debt service fund and amounted to \$29,785 as of June 30, 2025.

Unspent Bond Proceeds - Unspent bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. This restricted fund balance is accounted for in the capital projects fund. The District did not have any unspent debt proceeds as of June 30, 2025.

Scholarships and Donations - Amounts restricted for scholarships and donations are used to account for monies donated for scholarship purposes, net of earnings and awards. These restricted funds are accounted in the miscellaneous special revenue fund and amounted to \$8,767 as of June 30, 2025.

Extraclassroom - This reserve is used to account for extraclassroom funds. This restricted fund balance is accounted for in the miscellaneous special revenue fund and amounted to \$46,555 as of June 30, 2025.

- Committed fund balance - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (i.e. Board of Education). The District has no committed fund balances as of June 30, 2025.
- Assigned fund balance - Includes amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Education. 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. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget. Assigned fund balance also includes Board designations and encumbrances not classified as restricted or committed at the end of the fiscal year.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(u) Equity Classifications, Continued

- Unassigned fund balance - Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4% limitation. The District's unassigned fund balance in the general fund at June 30, 2025 is within the legal limit.

Order of Use of Fund Balance - In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (i.e. expenditures related to reserves) the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

(v) Subsequent Events

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

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

Due to the differences in the measurement focus and basis of accounting used in the fund financial statements and the District-Wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities, compared with the current financial resources focus of the governmental funds.

(a) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the statement of net position. The difference primarily results from additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental funds' balance sheet.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

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

(b) Statement of Revenue, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenue, expenditures and changes in fund balances and the statement of activities fall into one of the three broad categories. The amounts shown below represent:

- Long-term revenue and expense differences - Long-term revenue differences arise because governmental funds report revenue only when they are considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accruals basis, whereas the accrual basis of accounting is used on the statement of activities.
- Capital related differences - Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the statement of activities.
- Long-term debt transaction differences - Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

(3) Stewardship, Compliance and Accountability

(a) Budgets

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(3) Stewardship, Compliance and Accountability, Continued

(a) Budgets, Continued

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward.

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

(b) Encumbrances

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

(4) Deposits With Financial Institutions and Investments

(a) Cash and Cash Equivalents

State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements and obligations of the State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB Statement No. 40 - "Deposit and Investment Risk Disclosures," 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 with securities held by the pledging financial institution in the District's name; or
- Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

All of the District's aggregate bank balances were covered by FDIC insurance or collateralized with securities held by the pledging financial institution in the District's name at year end.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(4) Deposits With Financial Institutions and Investments, Continued

(b) Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents represent cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2025 included \$13,084,077 within the governmental funds for general reserve purposes, scholarships and donations, and debt service.

(c) Investments

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

(5) Due From Other Governments

Due from other governments in the general fund at June 30, 2025 consisted of sales tax. District management has deemed this amount to be fully collectible.

(6) State And Federal Aid

State and Federal aid at June 30, 2025 consisted of the following:

General Fund:

Basic aid	\$ 58,111
Excess cost aid	208,941
BOCES aid	340,995
Other	<u>3,677</u>
Total general fund	<u>611,724</u>

Special Aid Fund:

Federal grants	385,686
State grants	<u>476,647</u>
Total special aid fund	<u>862,333</u>

School Lunch Fund:

Lunch - Federal	27,873
Breakfast - Federal	5,318
Lunch - State	8,806
Breakfast - State	<u>1,786</u>
Total school lunch fund	<u>43,783</u>

Total all funds \$ 1,517,840

District management has deemed these amounts to be fully collectible.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(7) Capital Assets

Capital asset balances and activity for the fiscal year ended June 30, 2025 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 177,800	-	-	177,800
Construction in progress	-	579,763	-	579,763
Total capital assets not being depreciated	<u>177,800</u>	<u>579,763</u>	<u>-</u>	<u>757,563</u>
Capital assets being depreciated:				
Buildings and improvements	38,166,718	219,947	-	38,386,665
Machinery and equipment	1,556,824	343,072	(6,588)	1,893,308
Land improvements	182,522	-	-	182,522
Total capital assets being depreciated	<u>39,906,064</u>	<u>563,019</u>	<u>(6,588)</u>	<u>40,462,495</u>
Less accumulated depreciation for:				
Buildings and improvements	17,388,573	917,819	-	18,306,392
Machinery and equipment	1,105,837	119,142	(3,243)	1,221,736
Land improvements	124,231	2,577	-	126,808
Total accumulated depreciation	<u>18,618,641</u>	<u>1,039,538</u>	<u>(3,243)</u>	<u>19,654,936</u>
Total capital assets, being depreciated, net	<u>21,287,423</u>	<u>(476,519)</u>	<u>(3,345)</u>	<u>20,807,559</u>
Total governmental activities, net	<u>\$ 21,465,223</u>	<u>103,244</u>	<u>(3,345)</u>	<u>21,565,122</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 19,497
Instruction	1,012,340
Cost of food sales	<u>7,701</u>
Total depreciation expense	<u>\$ 1,039,538</u>

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(8) Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2025 are summarized below:

	<u>Beginning Balance*</u>	<u>Issued</u>	<u>Paid/ Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Long-term debt:					
Bonds payable	\$ 7,065,000	-	(375,000)	6,690,000	390,000
Add: premium on obligations	<u>20,643</u>	<u>-</u>	<u>(1,474)</u>	<u>19,169</u>	<u>1,474</u>
Total bonds payable	<u>7,085,643</u>	<u>-</u>	<u>(376,474)</u>	<u>6,709,169</u>	<u>391,474</u>
Other liabilities:					
Compensated absences	1,019,247	-	(26,019)	993,228	-
Total OPEB liability	56,750,430	-	(6,990,836)	49,759,594	-
Net pension liability - proportionate share - ERS	1,113,454	105,577	-	1,219,031	-
Net pension (asset) liability - proportionate share - TRS	942,548	-	(3,358,171)	(2,415,623)	-
Workers' compensation	<u>363,210</u>	<u>-</u>	<u>(51,253)</u>	<u>311,957</u>	<u>-</u>
Total other liabilities	<u>60,188,889</u>	<u>105,577</u>	<u>(10,426,279)</u>	<u>49,868,187</u>	<u>-</u>
Total long-term liabilities	<u>\$ 67,274,532</u>	<u>105,577</u>	<u>(10,802,753)</u>	<u>56,577,356</u>	<u>391,474</u>

*Restated for correction of error.

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, bond premiums, compensated absences, other postemployment benefits and net pension liabilities.

(a) Bonds Payable

<u>Description of Issue</u>	<u>Original Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2025</u>
Serial Bond	7/2/2018	7/1/2038	3.00% - 3.25%	<u>\$ 6,690,000</u>

The following is a summary of debt service requirements for the bond payable:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Premium Amortization</u>
2026	\$ 390,000	199,063	589,063	1,474
2027	400,000	187,213	587,213	1,474
2028	415,000	174,988	589,988	1,474
2029	425,000	162,388	587,388	1,474
2030	440,000	149,413	589,413	1,474
2031 - 2035	2,400,000	538,563	2,938,563	7,370
2036 - 2039	<u>2,220,000</u>	<u>146,198</u>	<u>2,366,198</u>	<u>4,429</u>
Total	<u>\$ 6,690,000</u>	<u>1,557,826</u>	<u>8,247,826</u>	<u>19,169</u>

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(8) Long-Term Liabilities, Continued

(a) Bonds Payable, Continued

Upon default of the payment of principal or interest on the serial bonds of the District, the bond holders have the right to litigate and the New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance of the District and apply the amount so withheld to the payment of the defaulted principal or interest with respect to the serial bonds.

(b) Long-Term Interest

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

Interest paid	\$ 210,538
Less interest accrued in the prior year	(108,081)
Plus interest accrued in the current year	102,456
Less amortization of bond premium	<u>(1,474)</u>
Total expense	\$ <u>203,439</u>

(c) Premiums on Bonds

Premium on bonds, net of amortization, amounted to \$19,169 at June 30, 2025. This premium is being amortized using the straight-line method over the life of the bond. Amortization is recorded as a reduction in interest expense on the District-Wide statement of activities.

(9) Pension Plans

(a) Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. TRS provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS is governed by a 10 member Board of Trustees. Benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The 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. Additional information regarding TRS by referring to the NYSSTR Comprehensive Annual Financial Report which can be found on TRS's website at www.nystrs.org.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

(a) Plan Descriptions and Benefits Provided, Continued

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS provides retirement benefits as well as death and disability benefits. The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. Benefits are established under the provisions of the New York State Retirement and Social Security Law. Once a public employer elects to participate in 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 District also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. GLIP amounts are appointed to and included in ERS. 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.ny.gov/retirement/resources/financial-statements-and-supplementary-information.

The systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale.

For ERS, the Comptroller annual certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions

At June 30, 2025, the District reported the following asset/liability for its proportionate share of TRS and ERS. The net pension asset/liability were measured as of March 31, 2025 for ERS and June 30, 2024 for TRS. The total pension asset/liability used to calculate the respective net pension asset/liability was determined by an actuarial valuation. The District's proportion of the respective net pension asset/liability was based on a projection of the District's long-term share of contributions to TRS and ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS and TRS in reports provided to the District.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions, Continued

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Net pension asset (liability)	\$ (1,219,031)	2,415,623
District's proportion of the Plan's net pension asset (liability)	0.0071098%	0.080963%
Change in proportionate share	(0.0004523)	(0.001457)

For the year ended June 30, 2025, the District's recognized pension expense of \$302,706 for ERS and \$1,349,461 for TRS in the statement of activities. At June 30, 2025 the District's reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 302,572	2,601,182	14,272	-
Changes of assumptions	51,124	1,445,032	-	243,068
Net difference between projected and actual investment earnings on pension plan investments	95,642	-	-	2,683,962
Changes in proportion and differences between the District's contributions and proportionate share of contributions	97,735	176,386	56,777	16,532
District's contributions subsequent to the measurement date	<u>94,080</u>	<u>1,583,623</u>	<u>-</u>	<u>-</u>
Total	\$ <u>641,153</u>	<u>5,806,223</u>	<u>70,549</u>	<u>2,943,562</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized as follows:

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

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

<u>Year ending</u>	<u>ERS</u>	<u>TRS</u>
2026	\$ 230,360	(1,210,518)
2027	324,678	2,994,291
2028	(92,778)	(453,335)
2029	14,264	(513,441)
2030	-	334,304
Thereafter	<u>-</u>	<u>127,737</u>
	\$ <u>476,524</u>	<u>1,279,038</u>

(c) Actuarial Assumptions

The total pension asset/liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset/liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2024	June 30, 2023
Measurement date	March 31, 2025	June 30, 2024
Investment rate of return (net of investment expense, including inflation)	5.90%	6.95%
Salary scale	4.30%	1.95% - 5.18%
Cost of living adjustments	1.50%	1.30%
Inflation rate	2.90%	2.40%

For ERS, demographic assumptions used in the April 1, 2024 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 - March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021. For TRS, annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis. The demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. TRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

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

The long-term expected real rates of return are presented by asset allocation classification. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized in the following table:

<u>Asset class</u>	<u>ERS</u>		<u>TRS</u>	
	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	25%	3.54%	33%	6.60%
International equity	14%	6.57%	15%	7.40%
Real estate equity	-	-	11%	6.30%
Global equity	-	-	4%	6.90%
Domestic fixed income	-	-	16%	2.60%
Global bonds	-	-	2%	2.50%
High-yield bonds	-	-	1%	4.80%
Real estate debt	-	-	6%	3.90%
Real estate	12%	4.95%	-	-
Private equity	15%	7.25%	9%	10.00%
Private debt	-	-	2%	5.90%
Real assets	4%	5.55%	-	-
Fixed income	22%	2.00%	-	-
Opportunistic/ARS portfolio	3%	5.25%	-	-
Credit	4%	5.40%	-	-
Cash and equivalents	<u>1%</u>	0.25%	<u>1%</u>	0.50%
	<u>100%</u>		<u>100%</u>	

* For ERS, the real rates of return are net of a long-term inflation assumption of 2.9%. For TRS, the real rates of return are net of pension plan investment expenses and long-term inflation expectations.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

(d) Discount Rate

The discount rate used to calculate the total pension asset/liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumed 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 Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

(e) Sensitivity of the Proportionate Share of the Net Pension Asset/Liability to the Discount Rate

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

ERS	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	\$ (3,528,030)	(1,219,031)	708,984
TRS	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	\$ (11,157,900)	2,415,623	13,831,319

(f) Pension Plan Fiduciary Net Position

The components of the current year net pension asset/liability of the participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Employers' total pension liability	\$ (247,600)	(142,838)
Plan net position	230,454	145,821
Employers' net pension asset (liability)	\$ (17,146)	2,983
Ratio of plan net position to the employers' total pension liability	93.08%	102.10%

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

(g) Contributions to the Pension Plans

ERS employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$94,080. This amount has been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to ERS for the year ended June 30, 2025 were \$387,810.

TRS employer and employee contributions for the year ended June 30, 2025 are paid to the TRS in September, October and November 2025 through a state aid intercept. 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 employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS system. Accrued employer retirement contributions to TRS as of June 30, 2025 amounted to \$1,852,481, including employees' share. The accrued contributions have been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to TRS for the year ended June 30, 2025 were \$1,583,623.

(h) Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the employees for the year ended June 30, 2025 totaled \$698,344.

(i) Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for some employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2025 totaled \$49,400.

(10) Postemployment Benefits Other Than Pensions (OPEB)

(a) Plan Description and Benefits Provided

The District's OPEB Plan (the Plan), defined as a single employer defined benefit plan, primarily provides postemployment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Medicare Part B benefits are also provided. Benefits are provided through the New York State Health Insurance Program, and are administered by the Empire Plan. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions (OPEB), Continued

(a) Plan Description and Benefits Provided, Continued

The Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. The contribution requirements of Plan members and the District are established and may be amended by the District. Benefit terms provide for the District to contribute between 76% and 100% of the premiums for individual and family coverage, 0-50% of the premiums for surviving spouses, and recognizes the cost of the healthcare plan annually as expenditures in the general fund of the fund financial statements as payments are accrued. For measurement period ended June 30, 2025, the District contributed \$1,507,085 to the Plan. Currently, there is no provision in the law to permit the District to fund other postemployment benefits by any means other than the “pay as you go” method.

(b) Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	90
Active employees	<u>159</u>
Total	<u>249</u>

(c) Total OPEB Liability

The District’s total OPEB liability of \$49,759,594 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

(d) Actuarial Assumptions and Other Inputs

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

Inflation	2.60%
Salary increases, including wage inflation	Varied by years of service and retirement system
Discount rate	4.81%
Healthcare cost trend rates	
Medical:	6.50% for 2025, decreasing to an ultimate rate of 4.04% by 2075.
Part B:	5.90% from 2024 to 2025 decreasing to an ultimate rate of 4.04% by 2075.

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using MP-2021.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions (OPEB), Continued

(e) Changes in the Total OPEB Liability

Total OPEB liability at June 30, 2024	\$ 56,750,430
Changes for the fiscal year:	
Service cost	2,177,791
Interest	2,449,481
Change of benefit terms	(165,559)
Differences between expected and actual experience	(5,094,740)
Changes of assumptions	(4,850,724)
Benefit payments	<u>(1,507,085)</u>
Net change	<u>(6,990,836)</u>
Total OPEB liability at June 30, 2025	\$ <u>49,759,594</u>

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.81%) or 1-percentage point higher (5.81%) than the current discount rate:

	1% Decrease (3.81%)	Current Discount Rate (4.81%)	1% Increase (5.81%)
Total OPEB liability	\$ <u>57,855,337</u>	<u>49,759,594</u>	<u>43,227,881</u>

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ <u>42,025,497</u>	<u>49,759,594</u>	<u>59,662,282</u>

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions (OPEB), Continued

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$2,990,471.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,698,094	7,097,161
Changes of assumptions or other inputs	<u>4,397,663</u>	<u>14,315,872</u>
	<u>\$ 9,095,757</u>	<u>21,413,033</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 ending</u>	
2026	\$ (1,450,872)
2027	(2,507,635)
2028	(3,119,563)
2029	(2,729,541)
2030	(1,088,887)
Thereafter	<u>(1,420,778)</u>
	<u>\$ (12,317,276)</u>

(11) Interfund Transactions - Governmental Funds

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. It is expected that all interfund payables should be repaid within one year.

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 643,991	-	-	2,822,385
Capital projects fund	1,974	-	1,962,583	-
Special aid fund	-	662,361	244,602	-
School lunch fund	-	13,389	29,662	-
Miscellaneous special revenue fund	-	-	-	-
Debt service fund	<u>29,785</u>	<u>-</u>	<u>585,538</u>	<u>-</u>
Totals	\$ <u>675,750</u>	<u>675,750</u>	<u>2,822,385</u>	<u>2,822,385</u>

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(11) Interfund Transactions - Governmental Funds, Continued

The District typically transfers from the general fund to the special aid fund to fund the District's local share of summer school handicap expenses required by New York State Law and any shortfalls from in-district programs. The District also transferred from the general fund to the debt service fund to cover the current year's principal and interest payments on bonds payable.

(12) Risk Management

(a) General

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. The District and other districts have formed a reciprocal insurance company to be owned by these districts (the Company). The Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers, and machinery, and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised 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.

(b) Risk Retention

The District purchases various insurance coverages from the aforementioned Company to reduce its exposure to loss. The District maintains a general liability insurance policy with coverage up to \$1 million per occurrence. The District also maintains liability coverage for school board members up to \$1 million and an excess liability policy with coverage up to \$25 million. Property insurance for fire loss is also maintained for the District's buildings and contents. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(c) Public Entity Risk Pool

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

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(13) Commitments and Contingencies

(a) Assigned - Appropriated

The District has designated \$417,241 to be appropriated to reduce taxes for the fiscal year ending June 30, 2026 in the general fund.

(b) Encumbrances

All encumbrances are classified as assigned fund balance. At June 30, 2025, the District encumbered the following amounts:

General Fund:

General support	\$ 2,059,484
Instruction	<u>147,650</u>
	\$ <u>2,207,134</u>

(c) Grants

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

(d) Litigation

The District is involved in various litigation proceedings resulting from the normal conduct of its affairs. There are also pending tax certiorari proceedings, which may result in the District having to pay future tax refunds. The District has a reserve established to pay future payments for this.

(14) Certain Risk Disclosures

(a) Concentrations - Workforce Covered by Collective Bargaining Agreements

The District's workforce has collective bargaining agreements which dictate employment terms including payroll and related expenditures as well as benefits. The following is a summary of the District's significant expiring collective bargaining agreement:

<u>Collective bargaining unit</u>	<u>Expiration date</u>
Administrators Association	June 30, 2026
Civil Service Employees Association	June 30, 2026

Other collective bargaining agreements are maintained by the District and available upon request.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(14) Certain Risk Disclosures, Continued

(b) Constraints

(i) Limitations on Raising Revenue

The District's ability to raise revenue through property taxes is subject to Article VIII of the New York State Constitution and the Real Property Tax Law, including the property tax levy limit (tax cap) imposed by Chapter 97 of the Laws of 2011. The annual increase in the property tax levy cannot exceed the lesser of 2% or change in the consumer price index, unless approved by a 60% supermajority of the taxpayers.

(ii) Limitations on Spending

Expenditures must be authorized in accordance with the annual budget adopted by the District, pursuant to New York State General Municipal Law (GML) and local charter provisions. The District may not incur expenditures in excess of appropriations, except for legally authorized emergency expenditures.

(iii) Limitations on the Incurrence of Debt

The District is subject to a constitutional debt limit, which is 10% of the full value on the most recent tax roll. The debt limit may be exceeded if authorized by 60% of the voters and approved by the Board of Regents and the New York State Comptroller. All borrowings must be approved by a majority vote of the District's residents at a public referendum.

(15) Future Implementations of GASB Pronouncements

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

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

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

(16) Correction of Error

The District made a correction of an error to the June 30, 2024 workers' compensation liability balance that was not recorded in the financial statements. The impact of this correction on the workers' compensation liability and net position for the year ended June 30, 2024 are as follows:

ELMSFORD UNION FREE SCHOOL DISTRICT
Notes to Financial Statements, Continued

(16) Correction of Error, Continued

	Workers' Compensation <u>Liability</u>	<u>Net position</u>
Balance as of June 30, 2024, as previously stated	\$ -	2,571,567
Correction of error	<u>363,210</u>	<u>(363,210)</u>
Balance as of June 30, 2024, as restated	\$ <u>363,210</u>	<u>2,208,357</u>

ELMSFORD UNION FREE SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Revenue, Expenditures and Changes in Fund Balance
 Budget to Actual - General Fund
 Year ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Final Budget Variance with Budgetary <u>Actual</u>
Revenue:					
Real property taxes	\$ 35,088,773	35,088,773	35,088,827	-	54
Other real property tax items	802,871	802,871	1,031,900	-	229,029
Charges for services	85,000	85,000	95,756	-	10,756
Use of money and property	950,000	950,000	2,307,789	-	1,357,789
State aid	7,961,393	7,961,393	8,276,965	-	315,572
Federal aid	10,000	10,000	48,280	-	38,280
Miscellaneous	-	-	265,636	-	265,636
Total revenue	<u>44,898,037</u>	<u>44,898,037</u>	<u>47,115,153</u>	<u>-</u>	<u>2,217,116</u>
Expenditures:					
General support	4,672,917	8,590,044	6,262,127	2,059,484	268,433
Instruction	25,194,582	26,526,041	24,092,994	147,650	2,285,397
Pupil transportation	4,897,592	4,834,466	4,577,715	-	256,751
Community services	3,183	3,278	3,278	-	-
Employee benefits	9,796,466	8,893,512	8,596,196	-	297,316
Debt service:					
Principal	375,000	375,000	-	-	375,000
Interest	210,538	210,538	-	-	210,538
Total expenditures	<u>45,150,278</u>	<u>49,432,879</u>	<u>43,532,310</u>	<u>2,207,134</u>	<u>3,693,435</u>
Excess (deficiency) of revenue over expenditures	(252,241)	(4,534,842)	3,582,843	(2,207,134)	5,910,551
Other financing uses - transfers out	(165,000)	(279,602)	(2,822,385)	-	(2,542,783)
Change in fund balance	<u>\$ (417,241)</u>	<u>(4,814,444)</u>	760,458	<u>(2,207,134)</u>	<u>3,367,768</u>
Fund balance at beginning of year			<u>45,005,049</u>		
Fund balance at end of year			<u>\$ 45,765,507</u>		

ELMSFORD UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability								
Service cost	\$ 2,177,791	2,076,638	2,074,357	2,966,889	2,957,091	2,243,239	1,316,298	1,367,100
Interest	2,449,481	2,234,602	1,789,826	1,326,390	1,353,388	1,843,705	1,601,337	1,435,827
Changes of benefit terms	(165,559)	-	(455,639)	-	-	-	(1,822,397)	-
Difference between expected and actual experience	(5,094,740)	1,809,783	5,164,356	355,338	(2,186,156)	(7,347,387)	(588,702)	-
Changes of assumptions	(4,850,724)	(712,513)	(3,763,219)	(13,480,599)	(934,045)	12,242,881	10,695,543	(2,022,307)
Benefit payments	<u>(1,507,085)</u>	<u>(1,362,291)</u>	<u>(1,172,157)</u>	<u>(1,077,059)</u>	<u>(988,113)</u>	<u>(977,234)</u>	<u>(981,973)</u>	<u>(678,505)</u>
Net change in total OPEB liability	(6,990,836)	4,046,219	3,637,524	(9,909,041)	202,165	8,005,204	10,220,106	102,115
Total OPEB liability - beginning	<u>56,750,430</u>	<u>52,704,211</u>	<u>49,066,687</u>	<u>58,975,728</u>	<u>58,773,563</u>	<u>50,768,359</u>	<u>40,548,253</u>	<u>40,446,138</u>
Total OPEB liability - ending	<u>\$ 49,759,594</u>	<u>56,750,430</u>	<u>52,704,211</u>	<u>49,066,687</u>	<u>58,975,728</u>	<u>58,773,563</u>	<u>50,768,359</u>	<u>40,548,253</u>
Covered payroll	\$ 17,424,979	17,498,518	17,656,015	16,750,975	15,597,594	16,589,346	14,616,490	15,293,957
Total OPEB liability as a percentage of covered payroll	285.56%	324.32%	298.51%	292.92%	378.11%	354.28%	347.34%	265.13%

Notes to schedule:

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

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
4.81%	4.21%	4.13%	3.54%	2.50%	2.20%	3.00%	2.20%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

ELMSFORD UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Asset/Liability
Year ended June 30, 2025

<u>TRS System - Asset (Liability)</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
The District's proportion of the net pension asset (liability)	0.080963%	0.082420%	0.084768%	0.085488%	0.084560%	0.085177%	0.085000%	0.084098%	0.082425%	0.083948%
The District's proportionate share of the net pension asset (liability)	\$ 2,415,623	(942,548)	(1,626,615)	14,814,328	(2,336,624)	2,212,914	1,537,016	639,226	(882,801)	8,719,529
The District's covered payroll	\$ 16,121,848	15,535,809	15,222,348	15,016,968	14,718,169	14,217,492	14,032,799	13,556,369	12,793,360	12,767,180
The District's proportionate share of the net pension liability/(asset) as a percentage of covered payroll	14.98%	6.07%	10.69%	98.65%	15.88%	15.56%	10.95%	4.72%	6.90%	68.30%
Plan fiduciary net position as a percentage of the total pension asset (liability)	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%
<u>ERS System - Asset (Liability)</u>										
The District's proportion of the net pension asset (liability)	0.0071098%	0.0075621%	0.0076963%	0.0079341%	0.0076936%	0.0070169%	0.0074200%	0.0073275%	0.0075714%	0.0075726%
The District's proportionate share of the net pension asset (liability)	\$ (1,219,031)	(1,113,454)	(1,650,406)	648,578	(7,661)	(1,858,122)	(525,733)	(236,492)	(711,422)	(1,215,418)
The District's covered payroll	\$ 2,855,220	2,715,492	2,645,635	2,510,155	2,509,479	2,434,973	2,093,192	2,164,026	2,030,723	1,908,373
The District's proportionate share of the net pension liability/(asset) as a percentage of covered payroll	42.69%	41.00%	62.38%	25.84%	0.31%	76.31%	25.12%	10.93%	35.03%	63.69%
Plan fiduciary net position as a percentage of the total pension asset (liability)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.20%	94.7%	90.7%

ELMSFORD UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Pension Contributions
Year ended June 30, 2025

<u>TRS System</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,583,623	1,484,565	1,563,733	1,446,614	1,382,815	1,271,634	1,509,898	1,356,856	1,568,798	1,686,530
Contribution in relation to the contractually required contribution	<u>1,583,623</u>	<u>1,484,565</u>	<u>1,563,733</u>	<u>1,446,614</u>	<u>1,382,815</u>	<u>1,271,634</u>	<u>1,509,898</u>	<u>1,356,856</u>	<u>1,568,798</u>	<u>1,686,530</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	<u>\$ 16,121,848</u>	<u>15,535,809</u>	<u>15,222,348</u>	<u>15,016,968</u>	<u>14,708,022</u>	<u>14,718,169</u>	<u>14,217,492</u>	<u>14,032,799</u>	<u>13,556,369</u>	<u>12,793,360</u>
Contribution as a percentage of covered payroll	9.82%	9.56%	10.27%	9.63%	9.40%	8.64%	10.62%	9.67%	11.57%	13.18%
<u>ERS System</u>										
Contractually required contribution	\$ 387,810	362,327	277,384	358,814	328,920	300,342	322,513	292,700	317,213	309,836
Contribution in relation to the contractually required contribution	<u>387,810</u>	<u>362,327</u>	<u>277,384</u>	<u>358,814</u>	<u>328,920</u>	<u>300,342</u>	<u>322,513</u>	<u>292,700</u>	<u>317,213</u>	<u>309,836</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	<u>\$ 2,855,220</u>	<u>2,715,492</u>	<u>2,645,635</u>	<u>2,510,155</u>	<u>2,532,529</u>	<u>2,450,125</u>	<u>2,211,066</u>	<u>2,113,803</u>	<u>2,035,377</u>	<u>1,991,509</u>
Contribution as a percentage of covered payroll	13.58%	13.34%	10.48%	14.29%	12.99%	12.26%	14.59%	13.85%	15.58%	15.56%

ELMSFORD UNION FREE SCHOOL DISTRICT
Other Supplementary Information
Schedule of Project Expenditures - Capital Projects Fund
Year ended June 30, 2025

<u>Project title</u>	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>			<u>Fund Balance 6/30/2025</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>Proceeds of Obligations</u>	<u>Local Sources</u>	<u>Total</u>	
School Infrastructure Hamilton High School athletic fields, doors, windows (cap res)	\$ 6,271,558	7,071,710	7,844,799	-	7,844,799	(773,089)	7,609,211	238,750	7,847,961	3,162
	<u>4,884,687</u>	<u>4,884,687</u>	<u>4,936,910</u>	<u>1,962,583</u>	<u>6,899,493</u>	<u>(2,014,806)</u>	<u>-</u>	<u>6,939,592</u>	<u>6,939,592</u>	<u>40,099</u>
	<u>\$ 11,156,245</u>	<u>11,956,397</u>	<u>12,781,709</u>	<u>1,962,583</u>	<u>14,744,292</u>	<u>(2,787,895)</u>	<u>7,609,211</u>	<u>7,178,342</u>	<u>14,787,553</u>	<u>43,261</u>

ELMSFORD UNION FREE SCHOOL DISTRICT
 Other Supplementary Information
 Schedule of Change from Adopted Budget to Final Budget and
 the Real Property Tax Limit - General Fund
 Year ended June 30, 2025

Change from adopted budget to final budget:

Original budget	\$ 45,315,278
Add prior year's encumbrances	<u>1,121,611</u>
Adopted budget	46,436,889
Budget revisions	<u>3,275,592</u>
Final budget	<u><u>\$ 49,712,481</u></u>

Section 1318 of Real Property Tax Law Limit Calculation

2025-2026 voter approved expenditure budget	\$ <u>47,280,512</u>
Maximum allowed 4% of 2025-2026 budget	<u>1,891,220</u>

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

Unrestricted fund balance:	
Appropriated fund balance	\$ 417,241
Encumbrances	2,207,134
Unassigned fund balance	<u>1,891,217</u>
Total unrestricted fund balance	4,515,592
Less:	
Appropriated fund balance	417,241
Encumbrances	<u>2,207,134</u>
Total adjustments	<u>2,624,375</u>
General fund fund balance subject to Section 1318 of Real Property Tax Law	<u><u>\$ 1,891,217</u></u>
Actual percentage	4.00%

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

ELMSFORD UNION FREE SCHOOL DISTRICT
Other Supplementary Information
Net Investment in Capital Assets
June 30, 2025

Capital assets, net		\$ 21,565,122
Deduct:		
Bonds payable	\$ 6,690,000	
Deferred premiums on refunding of debt	<u>19,169</u>	<u>6,709,169</u>
Net investment in capital assets		<u>\$ 14,855,953</u>

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

The Board of Education
Elmsford Union Free School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Elmsford Union Free School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 8, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 8, 2025