

Somers Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2025

Somers Central School District, New York

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Independent Auditors' Report

**The Board of Education of the
Somers Central School District, New York**

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Change in Accounting Policy

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards 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 15, 2025 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 15, 2025

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Somers Central School District, New York

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

Introduction

Our discussion and analysis of the Somers Central School District, New York's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2025. It should be read in conjunction with the basic financial statements to enhance understanding of the School District's financial performance, which immediately follows this section.

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$4,539,085.
- The School District issued \$935,007 of financed purchase debt during the year. The proceeds were used to finance the purchase of computer technology equipment. The School District also redeemed an additional \$4,095,000 serial bond debt and \$941,038 of financed purchase debt.
- The School District's governmental fund financial statements report a combined ending fund balance of \$23,073,532, a decrease of \$1,925,019 from the prior year. Also noteworthy about the fund balance is that it includes monies restricted and assigned for debt service of \$258,931 which may be used to help offset future debt service obligations. Exclusive of the Debt Service and Capital Projects funds, the combined ending fund balances are \$21,287,796. The General Fund's unassigned fund balance of \$4,539,085 represents about 21.3% of this total.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows at the close of its most recent fiscal year by \$103,463,283. The School District's total net position increased by \$4,473,667 for the year ended June 30, 2025. The district-wide financial statements must report certain items in accordance with the pronouncements of the Governmental Accounting Standards Board ("GASB"). The GASB is charged with developing the accounting rules that apply to governments, including school districts and BOCES. One of the most significant of these standards, GASB Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", requires the School District to recognize the financial impact associated with other postemployment benefit ("OPEB") obligations. These obligations include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. This standard requires the School District to report the *total*, rather than *net*, OPEB liability related to its employees, since New York State has not authorized the establishment of an irrevocable trust to set aside assets for this purpose. The prior standard under the provisions of GASB Statement No. 45 allowed for the amortization of prior service costs over a thirty-year period. As a result of the provisions of GASB Statement No. 75, the School District's *total* OPEB liability as of June 30, 2025, is \$149,912,431 compared to \$161,029,913 in the prior year. The OPEB liability is reflected on the district-wide Statement of Net Position and impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of GASB Statement No. 75 is presented in note 3D in the notes to financial statements.

Also noteworthy is that this standard parallels the pension standard under the provisions of GASB Statement No. 68, “*Accounting and Financial Reporting for Pensions*”, presented in note 3D as well.

- School Districts are required to report certain costs associated with participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees’ Retirement System (“ERS”) and the New York State Teachers’ Retirement System (“TRS”). Under the standards established under GASB Statement No. 68, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all the municipalities and school districts in the plan. On June 30, 2025, the School District reported in its Statement of Net Position a liability of \$3,697,387 for its proportionate share of the net pension liability for ERS and a net pension asset of \$6,631,184 for TRS. More detailed information about the School District’s pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in note 3D in the notes to financial statements.
- The School District reviewed the provisions of GASB Statement No. 101, “*Compensated Absences*” and its impact on the financial statements for the fiscal year ended June 30, 2025. As a result, the School District reported a cumulative effect of change in accounting principle to the July 1, 2024 net position of governmental activities of \$(10,553,100).

Overview of the Financial Statements

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

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District’s finances, in a manner similar to a private-sector business.
- The *statement of net position* presents information on all the School District’s assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
- The *statement of activities* presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, other, interest and general support.

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

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The School District maintains six individual governmental funds, General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Special Aid Fund and Capital Projects Fund, since the School District has elected to report them as major funds.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General fund within the basic financial statements to demonstrate compliance with the budget.

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

Notes to the Financial Statements

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

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Somers Central School District, New York, assets and deferred outflows of resources were exceeded by liabilities and deferred inflows of resources by \$103,463,283 at the close of the current fiscal year.

Statement of Net Position

	June 30,	
	2025	2024
Current Assets	\$ 32,821,093	\$ 33,745,371
Net Pension Asset	6,631,184	-
Capital Assets, net	98,313,082	94,953,800
Total Assets	137,765,359	128,699,171
Deferred Outflows of Resources	21,636,714	30,218,403
Current Liabilities	10,025,607	8,968,174
Long-term Liabilities	207,864,471	215,408,839
Total Liabilities	217,890,078	224,377,013
Deferred Inflows of Resources	44,975,278	33,530,177
NET POSITION		
Net Investment in Capital Assets	62,200,898	53,981,895
Restricted		
Debt Service	258,931	352,647
ERS Retirement contributions	1,925,032	1,332,007
TRS Retirement contributions	2,095,115	1,541,174
Special Purposes	146,466	132,015
Other	263,863	258,134
Capital Projects	1,416,328	6,953,034
Capital Improvements	1,977,257	1,825,278
Tax Certiorari	1,573,728	-
Unrestricted	(175,320,901)	(165,365,800)
Total Net Position	\$ (103,463,283)	\$ (98,989,616)

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

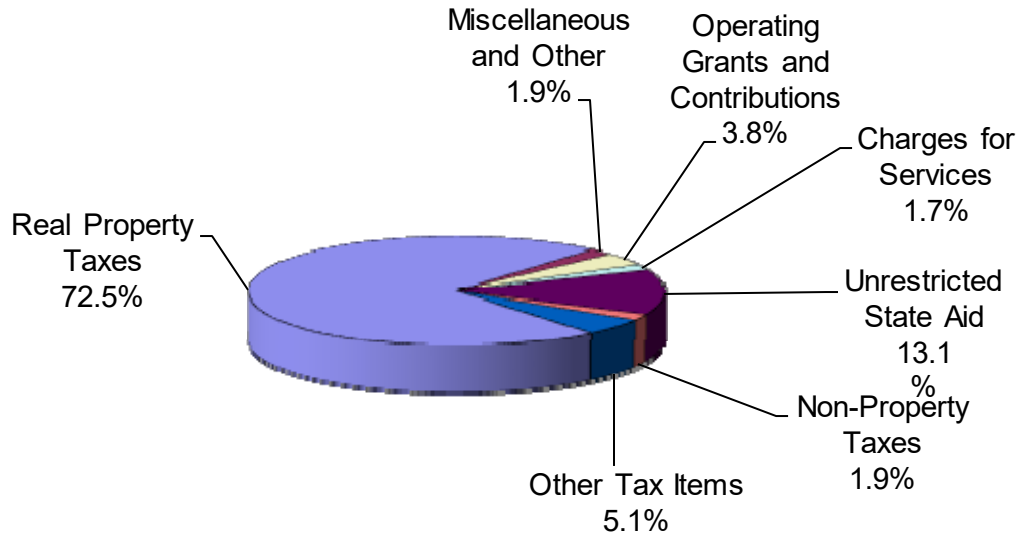
Changes in Net Position

	June 30,	
	2025	2024
REVENUES		
Program Revenues		
Charges for Services	\$ 1,995,040	\$ 2,026,829
Operating Grants and Contributions	4,315,960	4,037,072
Capital Grants and Contributions	70,171	232,344
Total Program Revenues	6,381,171	6,296,245
General Revenues		
Real Property Taxes	83,396,178	80,449,541
Other Tax Items	5,823,760	6,375,459
Non-Property Taxes	2,144,105	2,197,758
Unrestricted Use of Money and Property	1,270,478	1,528,484
Sale of Property and Compensation for Loss	46,902	44,588
Unrestricted State Aid	15,234,570	14,959,245
Miscellaneous	751,395	806,824
Total General Revenues	108,667,388	106,361,899
Total Revenues	115,048,559	112,658,144
PROGRAM EXPENSES		
General Support	12,573,159	14,372,587
Instruction	87,634,002	94,694,406
Pupil Transportation	6,274,546	6,120,146
Cost of Food Sales	1,494,273	1,369,560
Other	227,235	214,962
Interest	765,911	903,021
Total Expenses	108,969,126	117,674,682
Change in Net Position	6,079,433	(5,016,538)
NET POSITION		
Beginning, as reported	(98,989,616)	(93,973,078)
Cumulative Effect of Change in Accounting Principle	(10,553,100)	-
Beginning, as restated	(109,542,716)	(93,973,078)
Ending	\$ (103,463,283)	\$ (98,989,616)

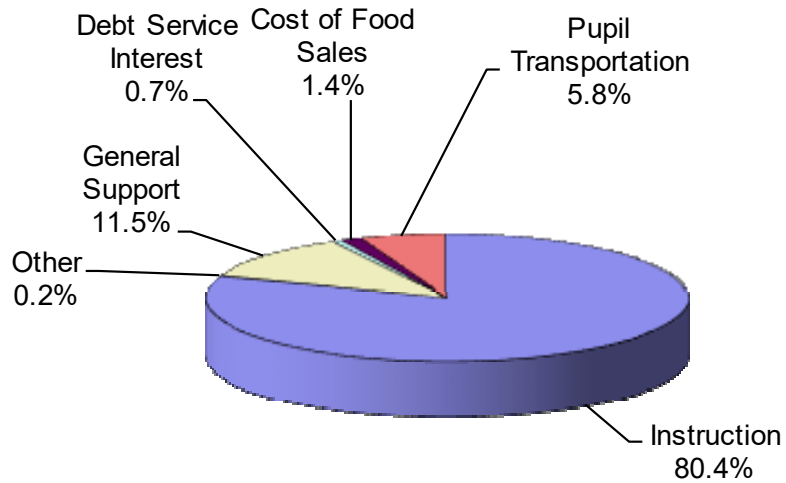
As indicated on the following graphs, the School District relies upon real property taxes as its primary revenue source. The School District's instruction costs account for 80.4% of its expenses.

Expenses decreased by \$8,705,556 during the 2024-25 fiscal year. The Instruction category decreased by \$7,060,404 and General Support decreased by \$1,799,428. The decrease in expenses was primarily driven by a decrease in pension and OPEB expenses.

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



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



Financial Analysis of the School District's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$23,073,532 a decrease of \$1,925,019 from the prior year.

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$20,521,182 of which \$4,539,085 was unassigned. As previously mentioned, New York State Law limits the amount of unassigned fund balance that can be retained to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

Fund balance of the School District's General Fund increased by \$3,767,799 during the current fiscal year.

General Fund Budgetary Highlights

Expenditures were \$3,946,558 below the final budget, resulting from a savings in general support, instructional costs, pupil transportation, and employee benefits.

The table on the following page outlines the various balances that comprise the total fund balance as of June 30, 2025. More detailed information about the School District's fund balance is presented in note 3,G in the notes to financial statements.

Total Fund Balance Classifications

	Prepaid Expenditures	\$ 42,898
Nonspendable Fund Balance	Inventories	18,607
		61,505
Restricted Fund Balance	Tax Certiorari	8,073,728
	Employee Benefit Accrued Liability	234,028
	ERS Retirement Contributions	1,486,776
	ERS Retirement Contributions- for subsequent year's expenditures	438,256
	TRS Retirement Contributions	2,095,115
	Debt Service	158,931
	Debt Service- for subsequent year's expenditures	100,000
	Capital Improvements	1,977,257
	Capital Projects	1,526,805
	Special Purposes - extraclassroom activities	146,466
	Special Purpose Fund - other	263,863
		16,501,225
Assigned Fund Balance	Encumbrances - General Government Support	204,208
	Encumbrances - Instruction	126,904
	Encumbrances - Transportation	52,927
		384,039
	For subsequent year's expenditures	1,250,000
	School Lunch Fund	337,678
Unassigned Fund Balance	General Fund	4,539,085
Total Fund Balance (as of 6/30/25)		\$ 23,073,532

Capital Assets

At June 30, 2025 the School District had \$98,313,082 net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment and construction in progress. The change in capital assets, net of accumulated depreciation, is reflected below.

	June 30,	
	2025	2024
Land	\$ 304,442	\$ 304,442
Construction-in-progress	7,903,902	2,125,996
Buildings and Improvements	88,998,285	91,437,348
Machinery and Equipment	1,106,453	1,086,014
Total Capital Assets, net of accumulated depreciation	\$ 98,313,082	\$ 94,953,800

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

Long-Term Debt

On June 30, 2025 and 2024, the School District had general obligation and other long-term debt outstanding, as follows:

	June 30,	
	2025	2024
Bonds Payable, net	\$ 27,990,208	\$ 32,404,879
Energy Performance Contract	7,715,055	8,248,848
Financed Purchase Debt	921,966	927,997
Compensated Absences	11,127,424	261,908
Claims Payable	6,500,000	6,500,000
Net Pension Liability	3,697,387	6,035,294
Other Post Employment Benefit Liability	149,912,431	161,029,913
Total	\$ 207,864,471	\$ 215,408,839

The School District issued \$935,007 of financed purchase debt during the 2024-2025 fiscal year. The School District redeemed \$4,095,000 of serial bonds and \$941,038 financed purchase debt.

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

Requests for Information

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

Somers Central School District
 Attn: Christopher Platania
 Assistant Superintendent for Business and Operations
 PO Box 620
 Lincolndale, New York 10540

Somers Central School District, New York

Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 3,360,573
Investments	25,917,615
Receivables	
Accounts	208,513
State and Federal aid	2,772,887
Due from other governments	500,000
Inventories	18,607
Prepaid expenses	42,898
Net pension asset - TRS	6,631,184
Capital assets	
Not being depreciated	8,208,344
Being depreciated, net	<u>90,104,738</u>
Total Assets	<u>137,765,359</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	329,368
Pension related	17,939,597
OPEB related	<u>3,367,749</u>
Total Deferred Outflows of Resources	<u>21,636,714</u>
LIABILITIES	
Accounts payable	4,229,220
Accrued liabilities	158,858
Unearned revenues	156,675
Due to retirement systems	5,201,923
Accrued interest payable	278,931
Non-current liabilities	
Due within one year	18,538,617
Due in more than one year	<u>189,325,854</u>
Total Liabilities	<u>217,890,078</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	8,350,618
OPEB related	<u>36,624,660</u>
Total Deferred Inflows of Resources	<u>44,975,278</u>
NET POSITION	
Net investment in capital assets	62,200,898
Restricted	
Debt service	258,931
ERS retirement contributions	1,925,032
TRS retirement contributions	2,095,115
Special purposes	
Extraclassroom activities	146,466
Other	263,863
Capital projects	1,416,328
Capital improvements	1,977,257
Tax certiorari	1,573,728
Unrestricted	<u>(175,320,901)</u>
Total Net Position	<u>\$ (103,463,283)</u>

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

Somers Central School District, New York

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities					
General support	\$ 12,573,159	\$ 190,096	\$ -	\$ -	\$ (12,383,063)
Instruction	87,634,002	839,214	3,601,740	-	(83,193,048)
Pupil transportation	6,274,546	-	-	-	(6,274,546)
Cost of food sales	1,494,273	965,730	466,805	-	(61,738)
Other	227,235	-	247,415	-	20,180
Interest	765,911	-	-	70,171	(695,740)
Total Governmental Activities	\$ 108,969,126	\$ 1,995,040	\$ 4,315,960	\$ 70,171	(102,587,955)
General revenues					
Real property taxes					83,396,178
Other tax items					
School tax relief reimbursement					5,710,544
Payments in lieu of taxes					113,216
Non-property taxes					
Non-property tax distribution from County					2,144,105
Unrestricted use of money and property					1,270,478
Sale of property and compensation for loss					46,902
Unrestricted State aid					15,234,570
Miscellaneous					751,395
Total General Revenues					108,667,388
Change in Net Position					6,079,433
NET POSITION					
Beginning					(98,989,616)
Cumulative Effect of Change in Accounting Principle					(10,553,100)
Beginning, as restated					(109,542,716)
Ending					\$ (103,463,283)

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

Somers Central School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2025

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 2,632,512	\$ 1,213	\$ 34,945
Investments	21,628,150	-	3,544,397
Receivables			
Accounts	207,070	-	-
State and Federal aid	1,652,213	1,061,669	-
Due from other governments	500,000	-	-
Due from other funds	2,968,421	56,505	-
Inventories	-	-	-
Prepaid expenditures	42,898	-	-
	<u>29,631,264</u>	<u>1,119,387</u>	<u>3,579,342</u>
Total Assets	<u>\$ 29,631,264</u>	<u>\$ 1,119,387</u>	<u>\$ 3,579,342</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 3,686,849	\$ 180,623	\$ 353,673
Accrued liabilities	149,906	-	-
Unearned revenues	14,832	6,060	-
Due to other funds	56,572	931,819	1,698,864
Due to retirement systems	5,201,923	-	-
	<u>9,110,082</u>	<u>1,118,502</u>	<u>2,052,537</u>
Total Liabilities	<u>9,110,082</u>	<u>1,118,502</u>	<u>2,052,537</u>
Deferred inflows of resources			
Deferred revenues	-	885	-
	<u>-</u>	<u>885</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,110,082</u>	<u>1,119,387</u>	<u>2,052,537</u>
Fund balances			
Nonspendable	42,898	-	-
Restricted	14,305,160	-	1,526,805
Assigned	1,634,039	-	-
Unassigned	4,539,085	-	-
	<u>20,521,182</u>	<u>-</u>	<u>1,526,805</u>
Total Fund Balances	<u>20,521,182</u>	<u>-</u>	<u>1,526,805</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,631,264</u>	<u>\$ 1,119,387</u>	<u>\$ 3,579,342</u>

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 691,903	\$ 3,360,573
745,068	25,917,615
1,443	208,513
59,005	2,772,887
-	500,000
1,558,931	4,583,857
18,607	18,607
-	42,898
<u>\$ 3,074,957</u>	<u>\$ 37,404,950</u>
\$ 8,075	\$ 4,229,220
8,952	158,858
135,783	156,675
1,896,602	4,583,857
-	5,201,923
<u>2,049,412</u>	<u>14,330,533</u>
-	885
<u>2,049,412</u>	<u>14,331,418</u>
18,607	61,505
669,260	16,501,225
337,678	1,971,717
-	4,539,085
<u>1,025,545</u>	<u>23,073,532</u>
<u>\$ 3,074,957</u>	<u>\$ 37,404,950</u>

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Somers Central School District, New YorkReconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2025

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

Total Fund Balances - Governmental Funds	\$ 23,073,532
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	8,208,344
Capital assets - depreciable	144,061,217
Accumulated depreciation	<u>(53,956,479)</u>
	<u>98,313,082</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources.	
Deferred outflows - pension related	17,939,597
Deferred outflows - OPEB related	3,367,749
Deferred inflows - pension related	(8,350,618)
Deferred inflows - OPEB related	<u>(36,624,660)</u>
	<u>(23,667,932)</u>
Other long-term assets that are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - TRS	<u>6,631,184</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
State aid	<u>885</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(278,931)
General obligation bonds payable	(26,000,000)
Energy Performance Contract debt payable	(7,715,055)
Financed purchase debt payable	(921,966)
Compensated absences	(11,127,424)
Net pension liability - ERS	(3,697,387)
Claims payable	(6,500,000)
Total OPEB liability	<u>(149,912,431)</u>
	<u>(206,153,194)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued whereas these amounts are deferred and amortized in the statement of activities	
Deferred amount on refunding	329,368
Premium on general obligation bonds	<u>(1,990,208)</u>
	<u>(1,660,840)</u>
Net Position of Governmental Activities	<u>\$ (103,463,283)</u>

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

Somers Central School District, New York

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

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 83,396,178	\$ -	\$ -
Other tax items	5,823,760	-	-
Non-property taxes	2,144,105	-	-
Charges for services	839,214	-	-
Use of money and property	1,822,409	-	-
Sale of property and compensation for loss	46,902	-	-
Interfund revenues	197	-	-
State aid	15,486,903	1,875,245	-
Federal aid	99,243	1,161,067	-
Food sales	-	-	-
Miscellaneous	751,395	-	-
Total Revenues	110,410,306	3,036,312	-
EXPENDITURES			
Current			
General support	9,906,379	387,996	-
Instruction	58,014,220	2,684,043	-
Pupil transportation	5,701,585	256,510	-
Employee benefits	26,019,484	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	5,569,831	-	-
Interest	1,018,409	-	-
Capital outlay	-	-	6,712,913
Total Expenditures	106,229,908	3,328,549	6,712,913
Excess (Deficiency) of Revenues Over Expenditures	4,180,398	(292,237)	(6,712,913)
OTHER FINANCING SOURCES (USES)			
Financed purchase debt issued	-	-	935,007
Transfers in	100,000	292,237	200,000
Transfers out	(512,599)	-	-
Total Other Financing Sources (Uses)	(412,599)	292,237	1,135,007
Net Change in Fund Balances	3,767,799	-	(5,577,906)
FUND BALANCES			
Beginning of Year	16,753,383	-	7,104,711
End of Year	<u>\$ 20,521,182</u>	<u>\$ -</u>	<u>\$ 1,526,805</u>

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 83,396,178
-	5,823,760
-	2,144,105
-	839,214
43,605	1,866,014
-	46,902
-	197
75,114	17,437,262
336,929	1,597,239
965,730	965,730
264,856	1,016,251
1,686,234	115,132,852
-	10,294,375
-	60,698,263
-	5,958,095
-	26,019,484
1,494,273	1,494,273
227,235	227,235
-	5,569,831
-	1,018,409
-	6,712,913
1,721,508	117,992,878
(35,274)	(2,860,026)
-	935,007
20,362	612,599
(100,000)	(612,599)
(79,638)	935,007
(114,912)	(1,925,019)
1,140,457	24,998,551
\$ 1,025,545	\$ 23,073,532

Somers Central School District, New York

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

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (1,925,019)</u>
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.	
Capital outlay expenditures	6,366,850
Depreciation expense	<u>(3,007,568)</u>
	<u>3,359,282</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Deferred Revenues	<u>(84,293)</u>
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the reduces long-term liabilities in the statement of net position. Also, governmental governmental funds, but the repayment funds report the effect of 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 general obligation bonds	4,095,000
Principal paid on energy performance contract	533,793
Principal paid on financed purchase debt	941,038
Financed purchase debt issued	<u>(935,007)</u>
	<u>4,634,824</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	27,601
Compensated absences	(312,416)
Claims payable	-
Changes in pension liabilities and related deferred outflows and inflows of resources	906,775
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(752,218)
Amortization of premium and loss on refunding bonds	<u>224,897</u>
	<u>94,639</u>
Change in Net Position of Governmental Activities	<u><u>\$ 6,079,433</u></u>

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

Somers Central School District, New York

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 83,396,178	\$ 83,396,178	\$ 83,396,178	\$ -
Other tax items	5,823,760	5,823,760	5,823,760	-
Non-property taxes	2,040,000	2,040,000	2,144,105	104,105
Charges for services	707,493	707,493	839,214	131,721
Use of money and property	1,240,518	1,240,518	1,822,409	581,891
Sale of property and com- pensation for loss	14,000	14,000	46,902	32,902
Interfund revenues	1,200	1,200	197	(1,003)
State aid	15,350,229	15,350,229	15,486,903	136,674
Federal aid	37,500	37,500	99,243	61,743
Miscellaneous	411,597	411,597	751,395	339,798
Total Revenues	109,022,475	109,022,475	110,410,306	1,387,831
EXPENDITURES				
Current				
General support	10,865,942	10,959,769	9,906,379	1,053,390
Instruction	59,280,263	59,731,809	58,014,220	1,717,589
Pupil transportation	6,053,926	6,134,753	5,701,585	433,168
Community services	13,125	13,125	-	13,125
Employee benefits	27,746,742	27,120,046	26,019,484	1,100,562
Debt service				
Principal	5,569,832	5,569,831	5,569,831	-
Interest	1,018,411	1,018,409	1,018,409	-
Total Expenditures	110,548,241	110,547,742	106,229,908	4,317,834
Excess (Deficiency) of Revenues Over Expenditures	(1,525,766)	(1,525,267)	4,180,398	5,705,665
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Transfers out	(505,000)	(525,362)	(512,599)	12,763
Total Other Financing Uses	(405,000)	(425,362)	(412,599)	12,763
Net Change in Fund Balances	(1,930,766)	(1,950,629)	3,767,799	5,718,428
FUND BALANCES				
Beginning of Year	1,930,766	1,950,629	16,753,383	14,802,754
End of Year	\$ -	\$ -	\$ 20,521,182	\$ 20,521,182

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

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Note 1 - Summary of Significant Accounting Policies

The Somers Central School District, New York ("School District"), as presently constituted, was established in 1909 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

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

A. Financial Reporting Entity

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

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

The School District participates in the Putnam - Northern Westchester Board of Cooperative Educational Services ("BOCES"). BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide education and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by the ratio by which the component school district's full value of taxable properties in effect at the time of adoption bears to the total full value of taxable properties of the component school districts within the BOCES as defined by Education Law. Copies of BOCES' financial statements can be requested from Putnam-Northern Westchester BOCES, Yorktown Heights, New York 10598.

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned

Note 1 - Summary of Significant Accounting Policies (Continued)

to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is as follows -

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

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

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

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District. The major revenues of this fund are food sales and federal aid.

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

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

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

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

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Fiduciary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, net pension liabilities and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

The School Districts position in the pool in the amount of \$25,917,615 at June 30, 2025 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

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

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

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2025.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable in September and January. The Town of Somers, New York ("Town") is responsible for the billing and collection of the taxes. The Town guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

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

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

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

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

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

Land and construction-in-progress are not depreciated. Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

Somers Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$14,832 for summer camp and other fees received in advance in the General Fund, \$6,060 for State and Federal aid received in advance in the Special Aid Fund and \$135,783 for Federal aid received in advance and unused meal deposits in the School Lunch Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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

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

The School District reported deferred inflows of resources of \$885 in the Special Aid fund for State aid that is not available.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law or Education Law of the State of New York.

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

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or the School Superintendent for amounts assigned as encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot

Note 1 - Summary of Significant Accounting Policies (Continued)

result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 15, 2025.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- g) The General Fund budget is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, Debt Service, School Lunch or Special Purpose funds since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Limitation on Fund Balance

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

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limitation on the amount of tax levy growth from one fiscal year to the next. Such

Note 2 - Stewardship, Compliance and Accountability (Continued)

limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

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

D. Cumulative Effect of Change in Accounting Principle

The School District implemented the provisions of GASB Statement No. 101, "*Compensated Absences*", for the year ended June 30, 2025. In addition to the value of unused leave time owed to employees upon separation from employment, the School District now also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result, the School District has reported a cumulative effect of change in accounting principle to the July 1, 2024 net position of governmental activities of \$(10,553,100).

E. New Accounting Pronouncement

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

F. Capital Projects Fund Project Deficit

The deficit in the construction bond project 2025 arose because of expenditures exceeding current financing on the project. This deficit will be eliminated with the subsequent receipt of authorized financing or transfer of funds from the General Fund.

Somers Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2025 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 2,968,421	\$ 56,572
Special Aid	56,505	931,819
Capital Projects	-	1,698,864
Non-Major Governmental	1,558,931	1,896,602
	<u>\$ 4,583,857</u>	<u>\$ 4,583,857</u>

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

B. Capital Assets

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

<u>Class</u>	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Capital Assets, not being depreciated:				
Land	\$ 304,442	\$ -	\$ -	\$ 304,442
Construction-in-progress	2,125,996	5,777,906	-	7,903,902
	<u>\$ 2,430,438</u>	<u>\$ 5,777,906</u>	<u>\$ -</u>	<u>\$ 8,208,344</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 140,588,388	\$ 316,003	\$ -	\$ 140,904,391
Machinery and Equipment	2,905,628	272,941	21,743	3,156,826
Total Capital Assets, being depreciated	<u>143,494,016</u>	<u>588,944</u>	<u>21,743</u>	<u>144,061,217</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	49,151,040	2,755,066	-	51,906,106
Machinery and Equipment	1,819,614	252,502	21,743	2,050,373
Total Accumulated Depreciation	<u>50,970,654</u>	<u>3,007,568</u>	<u>21,743</u>	<u>53,956,479</u>
Total Capital Assets, being depreciated, net	<u>\$ 92,523,362</u>	<u>\$ (2,418,624)</u>	<u>\$ -</u>	<u>\$ 90,104,738</u>
Capital Assets, net	<u>\$ 94,953,800</u>	<u>\$ 3,359,282</u>	<u>\$ -</u>	<u>\$ 98,313,082</u>

Somers Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

General Support	\$ 239,102
Instruction	2,736,586
Pupil transportation	<u>31,880</u>
Total Depreciation Expense	<u>\$ 3,007,568</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2025 were as follows:

	<u>General Fund</u>	<u>Non-Major Governmental</u>	<u>Totals</u>
Payroll and employee benefits	<u>\$ 149,906</u>	<u>\$ 8,952</u>	<u>\$ 158,858</u>

D. Long-Term Liabilities

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

	Balance July 1, 2024	Cumulative Effect of Change in Accounting Principle*	Balance, as Restated July 1, 2024	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2025	Due Within One-Year
General Obligation Bonds Payable	\$ 30,095,000	\$ -	\$ 30,095,000	\$ -	\$ 4,095,000	\$ 26,000,000	\$ 4,205,000
Plus - Unamortized premium on bonds	2,309,879	-	2,309,879	-	319,671	1,990,208	-
	<u>32,404,879</u>	<u>-</u>	<u>32,404,879</u>	<u>-</u>	<u>4,414,671</u>	<u>27,990,208</u>	<u>4,205,000</u>
Energy Performance Contract Debt Payable	8,248,848	-	8,248,848	-	533,793	7,715,055	548,898
Financed Purchase Debt Payable	927,997	-	927,997	935,007	941,038	921,966	610,485
Other Non-current Liabilities:							
Compensated Absences	261,908	10,553,100	10,815,008	312,416 **	-	11,127,424	1,113,000
Claims Payable	6,500,000	-	6,500,000	-	-	6,500,000	6,500,000
Net Pension Liability - ERS	3,473,473	-	3,473,473	223,914	-	3,697,387	-
Net Pension Liability - TRS	2,561,821	-	2,561,821	-	2,561,821	-	-
Other Postemployment Benefit Liability	161,029,913	-	161,029,913	(5,657,801)	5,459,681	149,912,431	5,561,234
Total Long-Term Liabilities	<u>\$ 215,408,839</u>	<u>\$ 10,553,100</u>	<u>\$ 225,961,939</u>	<u>\$ (4,186,464)</u>	<u>\$ 13,911,004</u>	<u>\$ 207,864,471</u>	<u>\$ 18,538,617</u>

*See Note 2D.

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

Each governmental fund's liability for general obligation bonds, energy performance contract debt, financed purchase debt, compensated absences, claims payable, net pension liability and other postemployment benefit liability is liquidated by the General Fund.

Somers Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

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

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at June 30, 2025</u>
Refunding Bonds	2015	\$ 17,150,000	September, 2029	2.250 - 3.000 %	\$ 4,705,000
Refunding Bonds	2016	15,275,000	November, 2027	2.000	4,770,000
Reconstruction of Various Facilities	2020	13,155,000	June, 2040	2.000 - 5.000	10,940,000
Serial Bonds	2020	6,985,000	August, 2035	1.000 - 5.000	5,585,000
					<u>\$ 26,000,000</u>

Interest expenditures of \$756,378 were recorded in the fund financial statements in the General Fund. Interest expense of \$498,738 was recorded in the district-wide financial statements.

Energy Performance Contract Debt Payable

The School District on June 28, 2022, entered into a \$8,898,826 contractual agreement to install energy saving equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for semi-annual payments of \$380,931, including interest at 2.81% through June 2037. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures of \$228,069 were recorded in the fund financial statements in the General Fund and in the government-wide financial statements for governmental activities. The balance due at June 30, 2025 was \$7,715,055.

Financed Purchase Debt Payable

The School District has entered into various agreements to finance the cost of purchasing certain equipment. The terms of the agreements provide for repayment in annual installments, through 2027, including interest at rates ranging from 2.62% to 4.34%. Interest expenditures of \$33,962 were recorded in the fund financial statements in the General Fund and \$39,104 in the District-Wide financial statements. The balance due at June 30, 2025 was \$921,966.

Payments to Maturity

The annual requirements to amortize all outstanding bonded, energy performance contract and financed purchase debt as of June 30, 2025, including interest payments of \$4,801,639 are as follows:

Somers Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract Debt	
	Principal	Interest	Principal	Interest
2026	\$ 4,205,000	\$ 641,403	\$ 548,898	\$ 212,964
2027	4,330,000	520,474	564,430	197,432
2028	3,150,000	409,515	580,403	181,459
2029	1,585,000	328,653	596,826	165,036
2030	1,640,000	268,753	613,716	148,148
2031-2035	6,375,000	870,313	3,339,112	470,199
2036-2040	4,715,000	282,206	1,471,670	52,051
	<u>\$ 26,000,000</u>	<u>\$ 3,321,316</u>	<u>\$ 7,715,055</u>	<u>\$ 1,427,289</u>

Year Ending June 30,	Financed Purchase Debt		Total	
	Principal	Interest	Principal	Interest
2026	\$ 610,485	\$ 39,515	\$ 5,364,383	\$ 893,882
2027	311,481	13,519	5,205,911	731,425
2028	-	-	3,730,403	590,974
2029	-	-	2,181,826	493,689
2030	-	-	2,253,716	416,901
2031-2035	-	-	9,714,112	1,340,512
2036-2040	-	-	6,186,670	334,257
	<u>\$ 921,966</u>	<u>\$ 53,034</u>	<u>\$ 34,637,021</u>	<u>\$ 4,801,639</u>

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

Legal Debt Margin

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

Compensated Absences

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

Note 3 - Detailed Notes on All Funds (Continued)

Claims Payable

Claims payable is comprised of \$6,500,000 for estimated tax certiorari refunds, which were not due and payable at year-end. This represents estimated tax certiorari refunds based upon proceedings pending against the School District to reduce assessments upon which taxes had been levied. This amount is included in the current portion of claims payable in the Statement of Net Position.

Pension Plans

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

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

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

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the

Somers Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the ERS plan year ended March 31, 2025 and TRS plan year ended June 30, 2025 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75G	20.8 %
	3 A14	17.9
	4 A15	17.9
	5 A15	15.4
	6 A15 41J100	11.4
	6 A15 41J165	11.4
TRS	1-6	10.11 %

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Net pension liability (asset)	\$ 3,697,387	\$ (6,631,184)
School Districts' proportion of the net pension liability (asset)	0.0215645 %	0.222254 %
Change in proportion since the prior measurement date	(0.0020260) %	(0.001763) %

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

For the year ended June 30, 2025, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$4,617,526 (\$897,241 for ERS and \$3,720,285 for TRS). Pension expenditures for ERS of \$1,262,115 and TRS of \$4,262,186 were recorded in the fund financial statements and were charged to the General Fund.

Somers Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 917,716	\$ 43,289	\$ 7,140,567	\$ -
Changes of assumptions	155,061	-	3,966,792	667,251
Net difference between projected and actual earnings on pension plan investments	290,087	-	-	7,367,811
Changes in proportion and differences between School District contributions and proportionate share of contributions	268,804	220,336	531,817	51,931
School District contributions subsequent to the measurement date	395,857	-	4,272,896	-
	<u>\$ 2,027,525</u>	<u>\$ 263,625</u>	<u>\$ 15,912,072</u>	<u>\$ 8,086,993</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 8,058,283	\$ 43,289		
Changes of assumptions	4,121,853	667,251		
Net difference between projected and actual earnings on pension plan investments	290,087	7,367,811		
Changes in proportion and differences between School District contributions and proportionate share of contributions	800,621	272,267		
School District contributions subsequent to the measurement date	4,668,753	-		
	<u>\$ 17,939,597</u>	<u>\$ 8,350,618</u>		

\$395,857 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2026. The \$4,272,896 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31,	June 30,
	ERS	TRS
2025	\$ -	\$ (3,284,079)
2026	717,454	8,251,118
2027	956,764	(1,227,381)
2028	(323,112)	(1,414,024)
2029	16,937	885,563
Thereafter	-	340,986
	<u>\$ 1,368,043</u>	<u>\$ 3,552,183</u>

Somers Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

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

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

Somers Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

Asset Type	ERS March 31, 2025		TRS June 30, 2024	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25 %	3.54 %	33 %	6.60 %
International Equity	14	6.57	15	7.40
Private Equity	15	7.25	9	10.00
Real Estate Equity	12	4.95	11	6.30
Opportunistic/ARS Portfolio	3	5.25	-	-
Credit	4	5.40	-	-
Real Assets	4	5.55	-	-
Domestic Fixed Income	-	-	16	2.60
Global Equity	-	-	4	6.90
Global Bonds	-	-	2	2.50
Private Debt	-	-	2	5.90
Real Estate Debt	-	-	6	3.90
High Yield Bonds	-	-	1	4.80
Fixed Income	22	2.00	-	-
Cash	1	0.25	1	0.50
	<u>100 %</u>		<u>100 %</u>	

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

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

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

Somers Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 10,700,703</u>	<u>\$ 3,697,387</u>	<u>\$ (2,150,387)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 30,629,822</u>	<u>\$ (6,631,184)</u>	<u>\$ (37,968,690)</u>

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

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

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

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

Accrued retirement contributions as of June 30, 2025 were \$395,857 to ERS and \$4,806,066 to TRS (inclusive of \$533,170 of employee contributions).

Note 3 - Detailed Notes on All Funds (Continued)

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 365 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability (“OPEB”)

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

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

Inactive employees currently receiving benefit payments	359
Active employees	490
	849
	849

The School District’s total OPEB liability of \$149,912,431 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

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

Salary increases	3.0%, average, including inflation
Discount rate	4.76%
Healthcare cost trend rates	6.75% for 2025, decreasing to an ultimate rate of 4.0% for 2037 and later years
Retirees' share of benefit-related costs	Varies from 0% to 14%, depending on applicable retirement year and bargaining unit

The discount rate was based on the prescribed discount interest rate methodology under GASB 75 based on an average of two 20-year bond indices as of June 30, 2025.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and

Somers Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Healthy Annuitant Tables for both pre and post retirement, projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

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

Total OPEB Liability - Beginning of Year	\$ 161,029,913
Service cost	2,730,515
Interest	7,535,083
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(15,923,399)
Benefit payments	<u>(5,459,681)</u>
 Total OPEB Liability - End of Year	 <u><u>\$ 149,912,431</u></u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.76%) or 1 percentage point higher (5.76%) than the current discount rate:

	1% Decrease (3.76%)	Current Discount Rate (4.76%)	1% Increase (5.76%)
Total OPEB Liability	<u>\$ 173,942,306</u>	<u>\$ 149,912,431</u>	<u>\$ 130,723,906</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.0%) or 1 percentage point higher (7.75% decreasing to 5.0%) than the current healthcare cost trend rates:

	1% Decrease (5.75% decreasing to 3.0%)	Current Healthcare Cost Trend Rates (6.75% decreasing to 4.0%)	1% Increase (7.75% decreasing to 5.0%)
Total OPEB Liability	<u>\$ 127,793,538</u>	<u>\$ 149,912,431</u>	<u>\$ 178,227,015</u>

For the year ended June 30, 2025, the School District recognized OPEB expense of \$6,211,899 in the district-wide financial statements. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	<u>\$ 3,367,749</u>	<u>\$ 36,624,660</u>

Somers Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

Year Ended June 30,	
2026	\$ (7,738,792)
2027	(9,307,208)
2028	(9,307,205)
2029	(2,714,027)
2030	(1,914,906)
Thereafter	<u>(2,274,773)</u>
	<u>\$ (33,256,911)</u>

E. Revenues and Expenditures

Interfund Transfers

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

Transfers Out	Transfers in				Total
	General Fund	Special Aid Fund	Capital Projects Fund	Non-Major Governmental	
General Fund	\$ -	\$ 292,237	\$ 200,000	\$ 20,362	\$ 512,599
Non-Major Governmental	100,000	-	-	-	100,000
	<u>\$ 100,000</u>	<u>\$ 292,237</u>	<u>\$ 200,000</u>	<u>\$ 20,362</u>	<u>\$ 612,599</u>

Transfers are used to move amounts earmarked in the operating funds to 1) fulfill commitments for Special Aid, School Lunch and Capital Projects funds expenditures, 2) transfer amounts appropriated for debt service to the General Fund.

F. Net Position

The components of net position are detailed below:

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

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

Somers Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

Restricted for Capital Improvements - the component of net position that reports the amounts restricted for capital project improvements as established by Section 3651 of the Education Law of the State of New York.

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

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

Somers Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:				
Inventories	\$ -	\$ -	\$ 18,607	\$ 18,607
Prepaid expenditures	42,898	-	-	42,898
Total Nonspendable	42,898	-	18,607	61,505
Restricted:				
Tax certiorari	8,073,728	-	-	8,073,728
Employee benefit accrued liability	234,028	-	-	234,028
ERS retirement contributions	1,486,776	-	-	1,486,776
ERS retirement contributions - for subsequent year's expenditures	438,256	-	-	438,256
TRS retirement contributions	2,095,115	-	-	2,095,115
Debt service	-	-	158,931	158,931
Debt Service - for subsequent year's expenditures	-	-	100,000	100,000
Capital improvements	1,977,257	-	-	1,977,257
Capital projects	-	1,526,805	-	1,526,805
Special purposes - extraclassroom activities	-	-	146,466	146,466
Special purposes - other	-	-	263,863	263,863
Total Restricted	14,305,160	1,526,805	669,260	16,501,225
Assigned:				
Purchases on order				
General government support	204,208	-	-	204,208
Instruction	126,904	-	-	126,904
Transportation	52,927	-	-	52,927
	384,039	-	-	384,039
For subsequent year's expenditures	1,250,000	-	-	1,250,000
School Lunch Fund	-	-	337,678	337,678
Total Assigned	1,634,039	-	337,678	1,971,717
Unassigned	4,539,085	-	-	4,539,085
Total Fund Balance	\$ 20,521,182	\$ 1,526,805	\$ 1,025,545	\$ 23,073,532

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

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

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

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

The School District receives notices of claims for money damages arising from personal injury claims. The School District anticipates that insurance coverage will be sufficient to satisfy any resolution of the pending claims.

B. Contingencies

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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

C. Risk Management

The School District and other school districts have formed a reciprocal insurance company to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains general liability and umbrella liability insurance coverages with policy limits of \$1 million and \$20 million, respectively. The School District also maintains liability coverage for school board members up to \$1 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Westchester-Putnam Schools Cooperative Self-Insurance Plan for Workers' Compensation. The Plan operates under an agreement, as amended, dated February 6, 1987. The purposes of the Plan are to provide for the efficient and economical evaluation, processing, administration, defense and payment of claims against Plan members for workers' compensation payments. The Board of Trustees of the Plan consists of five Trustees selected by the Plan members. Each Trustee shall have one vote and no action may be taken except by a majority of the total membership of Trustees. Billings to each participant are based upon the cost incurred for workers' compensation. The School District has transferred all related risk to the Plan.

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

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Somers Central School District, New York

Notes to Financial Statements (Concluded)
June 30, 2025

Note 5 - Tax Abatements

The School District currently has three real property tax abatement agreements with housing development and redevelopment companies organized pursuant to Article XI of the New York Private Housing Finance Law (“PHFL”) and Section 402 of the New York Not-for-Profit Corporation Law, in which the Housing Development Fund Corporation (“HDFC”) holds a fee interest in the property for the benefit of the LLC limited partnership.

These agreements are for 40 years in duration or until the property no longer provides affordable housing or no longer complies with the requirements of the New York PHFL. The payment in lieu of taxes (“PILOT”) payments received include a yearly increase of 3% annually.

Copies of the agreements may be obtained from the Somers Town Clerk, 335 Route 202, Somers, New York 10589.

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

<u>Start Date</u>	<u>Agreement</u>	<u>Tax Yr</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Total Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
3/20/2012	Somers Senior, LP & Somers Housing Development Fund Co., Inc.	2024/25	\$ 474,500	\$ 187.528444	\$ 88,982	\$ 40,604	\$ 48,378
5/14/2014	Somers II Senior, LLC & Mews Housing Development Fund Co., Inc.	2024/25	500,400	187.528444	93,839	38,177	55,662
3/12/2018	Crossroads at Baldwin Place Housing Development Fund Co., Inc.	2024/25	790,000	187.528444	148,147	34,435	113,712
Total			<u>\$ 1,764,900</u>		<u>\$ 330,968</u>	<u>\$ 113,216</u>	<u>\$217,752</u>

Note 6 - Recently Issued GASB Pronouncements

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

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

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

Somers Central School District, New York

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total OPEB Liability:			
Service cost	\$ 2,730,515	\$ 3,250,066	\$ 2,871,518
Interest	7,535,083	6,206,476	6,146,755
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions or other inputs *	(15,923,399)	2,519,067	(5,593,855)
Benefit payments	<u>(5,459,681)</u>	<u>(5,386,574)</u>	<u>(5,304,813)</u>
Net Change in Total OPEB Liability	(11,117,482)	6,589,035	(1,880,395)
Total OPEB Liability – Beginning of Year	<u>161,029,913</u>	<u>154,440,878</u>	<u>156,321,273</u>
Total OPEB Liability – End of Year	<u>\$ 149,912,431</u>	<u>\$ 161,029,913</u>	<u>\$ 154,440,878</u>
School District's covered-employee payroll	<u>\$ 46,088,096</u>	<u>\$ 46,088,096</u>	<u>\$ 44,025,336</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>325%</u>	<u>349%</u>	<u>351%</u>
* Discount Rate	<u>4.76%</u>	<u>4.09%</u>	<u>4.00%</u>

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

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

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

See independent auditors' report.

	2022	2021	2020	2019	2018
\$	2,995,517	\$ 4,536,090	\$ 3,958,748	\$ 2,594,127	\$ 2,256,765
	7,340,252	3,811,154	4,382,623	4,776,235	4,796,342
	-	-	-	-	-
	-	-	-	-	-
	(46,152,271)	9,410,496	22,110,558	19,728,617	-
	(5,127,720)	(5,688,190)	(5,522,245)	(2,352,377)	(2,328,624)
	(40,944,222)	12,069,550	24,929,684	24,746,602	4,724,483
	197,265,495	185,195,945	160,266,261	135,519,659	130,795,176 (3)
\$	<u>156,321,273</u>	<u>197,265,495</u>	<u>185,195,945</u>	<u>160,266,261</u>	<u>135,519,659</u>
\$	<u>44,025,336</u>	<u>42,952,223</u>	<u>42,952,223</u>	<u>45,684,362</u>	<u>44,808,552</u>
	<u>355%</u>	<u>459%</u>	<u>431%</u>	<u>351%</u>	<u>302%</u>
	<u>3.77%</u>	<u>2.09%</u>	<u>2.44%</u>	<u>3.10%</u>	<u>3.70%</u>

Somers Central School District, New York

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

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

	2025(3)	2024(3)	2023(2)	2022
School District's proportion of the net pension liability (asset)	<u>0.222254%</u>	<u>0.224017%</u>	<u>0.227260%</u>	<u>0.235543%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (6,631,184)</u>	<u>\$ 2,561,821</u>	<u>\$ 4,360,873</u>	<u>\$ (40,817,316)</u>
School District's covered payroll	<u>\$ 42,412,479</u>	<u>\$ 41,451,870</u>	<u>\$ 40,408,908</u>	<u>\$ 40,106,560</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>(15.63)%</u>	<u>6.18%</u>	<u>10.79%</u>	<u>(101.77)%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>102.09%</u>	<u>99.17%</u>	<u>98.57%</u>	<u>113.25%</u>
Discount Rate	<u>6.95%</u>	<u>6.95%</u>	<u>6.95%</u>	<u>6.95%</u>

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	<u>\$ 4,262,186</u>	<u>\$ 4,139,458</u>	<u>\$ 4,265,397</u>	<u>\$ 3,960,073</u>
Contributions in relation to the contractually required contribution	<u>(4,262,186)</u>	<u>(4,139,458)</u>	<u>(4,265,397)</u>	<u>(3,960,073)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 42,158,121</u>	<u>\$ 42,412,479</u>	<u>\$ 41,451,870</u>	<u>\$ 40,408,908</u>
Contributions as a percentage of covered payroll	<u>10.11%</u>	<u>9.76%</u>	<u>10.29%</u>	<u>9.80%</u>

- (1) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.
 (2) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net pension due to investment losses.
 (3) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net pension due to investment gains.

See independent auditors' report.

2021	2020	2019	2018	2017	2016
<u>0.232140%</u>	<u>0.235803%</u>	<u>0.236077%</u>	<u>0.234149%</u>	<u>0.237332%</u>	<u>0.236231%</u>
<u>\$ 6,414,660</u>	<u>\$ (6,126,189)</u>	<u>\$ (4,268,901)</u>	<u>\$ (1,779,768)</u>	<u>\$ 2,541,926</u>	<u>\$ (24,536,892)</u>
<u>\$ 39,489,495</u>	<u>\$ 39,386,902</u>	<u>\$ 38,546,849</u>	<u>\$ 37,183,709</u>	<u>\$ 36,718,192</u>	<u>\$ 35,599,856</u>
<u>16.24%</u>	<u>(15.55)%</u>	<u>(11.07)%</u>	<u>(4.79)%</u>	<u>6.92%</u>	<u>(68.92)%</u>
<u>97.76%</u>	<u>102.20%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>
<u>7.10%</u>	<u>7.10%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.50%</u>	<u>8.00%</u>

2021	2020	2019	2018	2017	2016
<u>\$ 3,822,155</u>	<u>\$ 3,498,769</u>	<u>\$ 4,182,889</u>	<u>\$ 3,777,591</u>	<u>\$ 4,357,931</u>	<u>\$ 4,871,863</u>
<u>(3,822,155)</u>	<u>(3,498,769)</u>	<u>(4,182,889)</u>	<u>(3,777,591)</u>	<u>(4,357,931)</u>	<u>(4,871,863)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 40,106,560</u>	<u>\$ 39,489,495</u>	<u>\$ 39,386,902</u>	<u>\$ 38,546,849</u>	<u>\$ 37,183,709</u>	<u>\$ 36,718,192</u>
<u>9.53%</u>	<u>8.86%</u>	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.27%</u>

Somers Central School District, New York

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

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

	2025(2)	2024(3)	2023(2)	2022
School District's proportion of the net pension liability (asset)	0.0215645%	0.0235905%	0.0240372%	0.0236150%
School District's proportionate share of the net pension liability (asset)	\$ 3,697,387	\$ 3,473,473	\$ 5,154,538	\$ (1,930,432)
School District's covered payroll	\$ 8,097,063	\$ 7,857,812	\$ 7,731,601	\$ 7,745,338
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	45.66%	44.20%	66.67%	-24.92%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	\$ 1,204,236	\$ 963,758	\$ 878,878	\$ 1,238,410
Contributions in relation to the contractually required contribution	(1,204,236)	(963,758)	(878,878)	(1,238,410)
Contribution excess	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 8,113,386	\$ 7,924,574	\$ 7,775,224	\$ 7,666,869
Contributions as a percentage of covered payroll	14.84%	12.16%	11.30%	16.15%

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

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

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

See independent auditors' report.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>0.0213607%</u>	<u>0.0225222%</u>	<u>0.0242253%</u>	<u>0.0247112%</u>	<u>0.0251110%</u>	<u>0.0260924%</u>
<u>\$ 21,270</u>	<u>\$ 5,964,004</u>	<u>\$ 1,716,439</u>	<u>\$ 797,540</u>	<u>\$ 2,359,481</u>	<u>\$ 4,187,904</u>
<u>\$ 7,645,023</u>	<u>\$ 7,547,233</u>	<u>\$ 7,566,252</u>	<u>\$ 7,555,995</u>	<u>\$ 7,365,451</u>	<u>\$ 7,340,131</u>
<u>0.28%</u>	<u>79.02%</u>	<u>22.69%</u>	<u>10.56%</u>	<u>32.03%</u>	<u>57.05%</u>
<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>
<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>\$ 1,086,320</u>	<u>\$ 1,105,577</u>	<u>\$ 1,116,402</u>	<u>\$ 1,114,123</u>	<u>\$ 1,128,624</u>	<u>\$ 1,297,350</u>
<u>(1,086,320)</u>	<u>(1,105,577)</u>	<u>(1,116,402)</u>	<u>(1,114,123)</u>	<u>(1,128,624)</u>	<u>(1,297,350)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 7,570,837</u>	<u>\$ 7,627,405</u>	<u>\$ 7,450,072</u>	<u>\$ 7,659,985</u>	<u>\$ 7,415,391</u>	<u>\$ 7,352,710</u>
<u>14.35%</u>	<u>14.49%</u>	<u>14.99%</u>	<u>14.54%</u>	<u>15.22%</u>	<u>17.64%</u>

Somers Central School District, New York

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

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 83,396,178	\$ 83,396,178	\$ 83,396,178	\$	\$ -
Other tax items	5,823,760	5,823,760	5,823,760		-
Non-property taxes	2,040,000	2,040,000	2,144,105		104,105
Charges for services	707,493	707,493	839,214		131,721
Use of money and property	1,240,518	1,240,518	1,822,409		581,891
Sale of property and compensation for loss	14,000	14,000	46,902		32,902
Interfund revenues	1,200	1,200	197		(1,003)
State aid	15,350,229	15,350,229	15,486,903		136,674
Federal aid	37,500	37,500	99,243		61,743
Miscellaneous	411,597	411,597	751,395		339,798
Total Revenues	109,022,475	109,022,475	110,410,306		1,387,831
EXPENDITURES					
Current					
General support					
Board of education	103,163	143,107	129,683	-	13,424
Central administration	427,756	427,578	400,375	112	27,091
Finance	1,047,903	1,062,363	1,057,690	734	3,939
Staff	884,035	866,105	770,101	-	96,004
Central services	7,229,755	7,235,781	6,381,938	203,362	650,481
Special items	1,173,330	1,224,835	1,166,592	-	58,243
Total General Support	10,865,942	10,959,769	9,906,379	204,208	849,182
Instruction					
Instruction, administration and improvement	4,324,576	4,319,196	4,075,218	19,271	224,707
Teaching - Regular school Programs for students with disabilities	28,761,183	28,803,144	28,103,288	66,896	632,960
Occupational education	16,323,537	16,712,059	16,693,943	900	17,216
Teaching - Special schools	885,559	885,559	851,408	-	34,151
Instructional media	4,200	4,200	-	-	4,200
Pupil services	3,325,931	3,328,523	2,841,667	34,634	452,222
	5,655,277	5,679,128	5,448,696	5,203	225,229
Total Instruction	59,280,263	59,731,809	58,014,220	126,904	1,590,685
Pupil transportation	6,053,926	6,134,753	5,701,585	52,927	380,241
Community services	13,125	13,125	-	-	13,125
Employee benefits	27,746,742	27,120,046	26,019,484	-	1,100,562
Debt service					
Principal	5,569,832	5,569,831	5,569,831	-	-
Interest	1,018,411	1,018,409	1,018,409	-	-
Total Expenditures	110,548,241	110,547,742	106,229,908	384,039	3,933,795
Excess (Deficiency) of Revenues Over Expenditures	(1,525,766)	(1,525,267)	4,180,398	(384,039)	5,321,626
OTHER FINANCING SOURCES (USES)					
Transfers in	100,000	100,000	100,000	-	-
Transfers out	(505,000)	(525,362)	(512,599)	-	12,763
Total Other Financing Uses	(405,000)	(425,362)	(412,599)	-	12,763
Net Change in Fund Balance	(1,930,766)	(1,950,629)	3,767,799	\$ (384,039)	\$ 5,334,389
FUND BALANCE					
Beginning of Year	1,930,766	1,950,629	16,753,383		
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,521,182</u>		

See independent auditors' report.

Somers Central School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 83,396,178	\$ 83,396,178	\$ 83,396,178	\$ -
OTHER TAX ITEMS				
School tax relief reimbursement	5,710,544	5,710,544	5,710,544	-
Payments in lieu of taxes	113,216	113,216	113,216	-
	<u>5,823,760</u>	<u>5,823,760</u>	<u>5,823,760</u>	<u>-</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	2,040,000	2,040,000	2,144,105	104,105
CHARGES FOR SERVICES				
Day school tuition - Other districts	-	-	108,250	108,250
Health services - Other districts	707,493	707,493	730,964	23,471
	<u>707,493</u>	<u>707,493</u>	<u>839,214</u>	<u>131,721</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	1,045,000	1,045,000	1,632,510	587,510
Rental of real property	195,518	195,518	189,899	(5,619)
	<u>1,240,518</u>	<u>1,240,518</u>	<u>1,822,409</u>	<u>581,891</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	8,751	8,751
Sale of equipment	1,500	1,500	27,478	25,978
Other	12,500	12,500	10,673	(1,827)
	<u>14,000</u>	<u>14,000</u>	<u>46,902</u>	<u>32,902</u>
INTERFUND REVENUES	<u>1,200</u>	<u>1,200</u>	<u>197</u>	<u>(1,003)</u>
STATE AID				
Basic formula	13,872,670	13,872,670	10,995,176	(2,877,494)
Textbook aid	155,644	155,644	155,994	350
Computer software aid	71,358	71,358	71,471	113
Lottery aid	-	-	2,646,263	2,646,263
Library materials aid	19,838	19,838	19,868	30
BOCES aid	1,230,719	1,230,719	1,593,131	362,412
Other	-	-	5,000	5,000
	<u>15,350,229</u>	<u>15,350,229</u>	<u>15,486,903</u>	<u>136,674</u>
FEDERAL AID				
Medical assistance	37,500	37,500	99,243	61,743

(Continued)

Somers Central School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
MISCELLANEOUS				
Refund of prior year's expenditures	\$ 135,000	\$ 135,000	\$ 211,890	\$ 76,890
Refunds of BOCES aided services	107,247	107,247	236,229	128,982
E-Rate refunds	27,750	27,750	71,828	44,078
Gifts and donations	-	-	1,000	1,000
Other	141,600	141,600	230,448	88,848
	<u>411,597</u>	<u>411,597</u>	<u>751,395</u>	<u>339,798</u>
TOTAL REVENUES	109,022,475	109,022,475	110,410,306	1,387,831
OTHER FINANCING SOURCES				
Transfers in				
Capital Projects Fund	-	-	-	-
Debt Service Fund	100,000	100,000	100,000	-
TOTAL OTHER FINANCING SOURCES	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 109,122,475</u>	<u>\$ 109,122,475</u>	<u>\$ 110,510,306</u>	<u>\$ 1,387,831</u>

See independent auditors' report.

Somers Central School District, New York

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

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 44,172	\$ 84,116	\$ 80,789	\$ -	\$ 3,327
District clerk	31,884	31,884	31,428	-	456
District meeting	27,107	27,107	17,466	-	9,641
Total Board of Education	103,163	143,107	129,683	-	13,424
CENTRAL ADMINISTRATION					
Chief school administrator	427,756	427,578	400,375	112	27,091
FINANCE					
Business administration	982,423	995,883	991,210	734	3,939
Auditing	65,480	66,480	66,480	-	-
Total Finance	1,047,903	1,062,363	1,057,690	734	3,939
STAFF					
Legal	119,750	101,750	54,107	-	47,643
Personnel	563,170	563,170	542,018	-	21,152
Public information and services	201,115	201,185	173,976	-	27,209
Total Staff	884,035	866,105	770,101	-	96,004
CENTRAL SERVICES					
Operation of plant	5,935,017	5,911,536	5,345,273	65,783	500,480
Maintenance of plant	1,229,544	1,255,026	981,462	137,579	135,985
Central printing and mailing	65,194	69,219	55,203	-	14,016
Total Central Services	7,229,755	7,235,781	6,381,938	203,362	650,481
SPECIAL ITEMS					
Unallocated insurance	469,540	508,622	452,884	-	55,738
School association dues	16,500	16,560	16,556	-	4
Judgments and claims	10,000	22,363	19,863	-	2,500
Administrative charge-BOCES	677,290	677,290	677,289	-	1
Total Special Items	1,173,330	1,224,835	1,166,592	-	58,243
Total General Support	10,865,942	10,959,769	9,906,379	204,208	849,182
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	799,606	797,258	759,395	16,629	21,234
Supervision - Regular school	2,980,506	2,980,051	2,823,907	2,642	153,502
In-service training - Instruction	544,464	541,887	491,916	-	49,971
Total Instruction, Administration and Improvement	4,324,576	4,319,196	4,075,218	19,271	224,707

(Continued)

Somers Central School District, New York

General Fund

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

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
INSTRUCTION (Continued)					
TEACHING - REGULAR SCHOOL	\$ 28,761,183	\$ 28,803,144	\$ 28,103,288	\$ 66,896	\$ 632,960
PROGRAMS FOR STUDENTS WITH DISABILITIES	16,323,537	16,712,059	16,693,943	900	17,216
OCCUPATIONAL EDUCATION	885,559	885,559	851,408	-	34,151
TEACHING - SPECIAL SCHOOLS	4,200	4,200	-	-	4,200
INSTRUCTIONAL MEDIA					
School library and audiovisual	690,334	691,034	676,566	1,565	12,903
Educational television	29,001	29,401	27,383	-	2,018
Computer assisted instruction	2,606,596	2,608,088	2,137,718	33,069	437,301
Total Instructional Media	3,325,931	3,328,523	2,841,667	34,634	452,222
PUPIL SERVICES					
Guidance - Regular school	2,265,902	2,266,477	2,202,718	-	63,759
Health services - Regular school	701,509	701,799	683,550	-	18,249
Psychological services - Regular school	819,719	821,046	814,094	-	6,952
Social work services	276,451	276,451	272,123	-	4,328
Co-curricular activities - Regular school	383,565	382,215	350,942	1,300	29,973
Interscholastic activities - Regular school	1,208,131	1,231,140	1,125,269	3,903	101,968
Total Pupil Services	5,655,277	5,679,128	5,448,696	5,203	225,229
Total Instruction	59,280,263	59,731,809	58,014,220	126,904	1,590,685
PUPIL TRANSPORTATION					
District transportation services	640,471	641,650	558,701	-	82,949
Contract transportation	5,413,455	5,493,103	5,142,884	52,927	297,292
Total Pupil Transportation	6,053,926	6,134,753	5,701,585	52,927	380,241
COMMUNITY SERVICES					
Civic activities	13,125	13,125	-	-	13,125
EMPLOYEE BENEFITS					
State retirement	1,324,671	1,324,671	1,262,115	-	62,556
Teachers' retirement	4,338,153	4,338,153	4,262,186	-	75,967
Social security	4,063,155	4,061,605	3,873,454	-	188,151
Workers' compensation benefits	209,763	209,763	191,782	-	17,981
Hospital and medical insurance	16,772,997	16,164,311	15,502,259	-	662,052
Employee assistance program	68,450	68,450	38,736	-	29,714
Union welfare benefits	969,553	953,093	888,952	-	64,141
Total Employee Benefits	27,746,742	27,120,046	26,019,484	-	1,100,562

(Continued)

Somers Central School District, New York

General Fund

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

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
DEBT SERVICE					
Principal					
Serial bonds	\$ 4,095,000	\$ 4,095,000	\$ 4,095,000	\$ -	\$ -
Energy performance contract	533,793	533,793	533,793	-	-
Financed purchase debt	941,039	941,038	941,038	-	-
	<u>5,569,832</u>	<u>5,569,831</u>	<u>5,569,831</u>	<u>-</u>	<u>-</u>
Interest					
Serial bonds	756,379	756,378	756,378	-	-
Energy performance contract	228,069	228,069	228,069	-	-
Bond anticipation notes	-	-	-	-	-
Financed purchase debt	33,963	33,962	33,962	-	-
	<u>1,018,411</u>	<u>1,018,409</u>	<u>1,018,409</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>6,588,243</u>	<u>6,588,240</u>	<u>6,588,240</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>110,548,241</u>	<u>110,547,742</u>	<u>106,229,908</u>	<u>384,039</u>	<u>3,933,795</u>
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	305,000	305,000	292,237	-	12,763
School Lunch Fund	-	20,362	20,362	-	-
Capital Projects Fund	200,000	200,000	200,000	-	-
	<u>505,000</u>	<u>525,362</u>	<u>512,599</u>	<u>-</u>	<u>12,763</u>
TOTAL OTHER FINANCING USES	<u>505,000</u>	<u>525,362</u>	<u>512,599</u>	<u>-</u>	<u>12,763</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 111,053,241</u>	<u>\$ 111,073,104</u>	<u>\$ 106,742,507</u>	<u>\$ 384,039</u>	<u>\$ 3,946,558</u>

See independent auditors' report.

Somers Central School District, New York

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

Project	Appropriation	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
2016 Construction Bond	\$ 13,600,000	\$ 13,414,323	\$ -	\$ 13,414,323
2019 Safety and Security Project	10,745,000	10,422,669	125,362	10,548,031
Somers Intermediate School PFAS Project	400,000	16,096	15,302	31,398
SHS Athletic and PES Athletic Site and Interior Upgrades	7,000,000	1,114,592	5,575,935	6,690,527
Somers High School Chlorination Project	400,000	15,042	20,107	35,149
Energy Performance Contract	8,898,826	8,898,826	-	8,898,826
Construction Bond Project 2025	1,825,000	34,000	41,200	75,200
Equipment - Financed Purchase Debt 2025	935,007	-	935,007	935,007
Totals	\$ 43,803,833	\$ 33,915,548	\$ 6,712,913	\$ 40,628,461

See independent auditors' report.

Unexpended Balance	Methods of Financing			Fund Balance at June 30, 2025
	Proceeds of Obligations	Transfers	Totals	
\$ 185,677	\$ 13,600,000	\$ -	\$ 13,600,000	\$ 185,677
196,969	7,566,295	3,178,705	10,745,000	196,969
368,602	-	400,000	400,000	368,602
309,473	-	7,000,000	7,000,000	309,473
364,851	-	400,000	400,000	364,851
-	8,898,826	176,433	9,075,259	176,433
1,749,800	-	-	-	(75,200)
-	935,007	-	935,007	-
<u>\$ 3,175,372</u>	<u>\$ 31,000,128</u>	<u>\$ 11,155,138</u>	<u>\$ 42,155,266</u>	<u>\$ 1,526,805</u>

Somers Central School District, New York

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

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
ASSETS				
Cash and equivalents	\$ 281,574	\$ 410,329	\$ -	\$ 691,903
Investments	745,068	-	-	745,068
Receivables				
Accounts	1,443	-	-	1,443
State and Federal aid	59,005	-	-	59,005
Due from other funds	-	-	1,558,931	1,558,931
	60,448	-	1,558,931	1,619,379
Inventories	18,607	-	-	18,607
Total Assets	<u>\$ 1,105,697</u>	<u>\$ 410,329</u>	<u>\$ 1,558,931</u>	<u>\$ 3,074,957</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 8,075	\$ -	\$ -	\$ 8,075
Accrued liabilities	8,952	-	-	8,952
Unearned revenues	135,783	-	-	135,783
Due to other funds	596,602	-	1,300,000	1,896,602
Total Liabilities	749,412	-	1,300,000	2,049,412
Fund balances				
Nonspendable	18,607	-	-	18,607
Restricted	-	410,329	258,931	669,260
Assigned	337,678	-	-	337,678
Total Fund Balances	356,285	410,329	258,931	1,025,545
Total Liabilities and Fund Balances	<u>\$ 1,105,697</u>	<u>\$ 410,329</u>	<u>\$ 1,558,931</u>	<u>\$ 3,074,957</u>

See independent auditors' report.

Somers Central School District, New York

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

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
REVENUES				
Use of money and property	\$ 34,406	\$ 2,915	\$ 6,284	\$ 43,605
State aid	75,114	-	-	75,114
Federal aid	336,929	-	-	336,929
Food sales	965,730	-	-	965,730
Miscellaneous	20,356	244,500	-	264,856
	<u>1,432,535</u>	<u>247,415</u>	<u>6,284</u>	<u>1,686,234</u>
EXPENDITURES				
Current				
Cost of food sales	1,494,273	-	-	1,494,273
Other	-	227,235	-	227,235
	<u>1,494,273</u>	<u>227,235</u>	<u>-</u>	<u>1,721,508</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(61,738)</u>	<u>20,180</u>	<u>6,284</u>	<u>(35,274)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,362	-	-	20,362
Transfers out	-	-	(100,000)	(100,000)
	<u>20,362</u>	<u>-</u>	<u>(100,000)</u>	<u>(79,638)</u>
Net Change in Fund Balances	(41,376)	20,180	(93,716)	(114,912)
FUND BALANCES				
Beginning of Year	<u>397,661</u>	<u>390,149</u>	<u>352,647</u>	<u>1,140,457</u>
End of Year	<u>\$ 356,285</u>	<u>\$ 410,329</u>	<u>\$ 258,931</u>	<u>\$ 1,025,545</u>

See independent auditors' report.

Somers Central School District, New York

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

Adopted Budget		\$ 110,810,731
Encumbrances		<u>242,510</u>
Original Budget		111,053,241
Budget Revisions		<u>19,863</u>
Final Budget		<u><u>\$ 111,073,104</u></u>

General Fund
Section 1318 of Real Property Tax Law Limit Calculation

2025-26 Expenditure Budget		<u>\$ 113,477,113</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	\$ 1,634,039	
Unassigned fund balance	<u>4,539,085</u>	
Total Unrestricted Fund Balance	<u>6,173,124</u>	
Less		
Encumbrances	384,039	
Appropriated for subsequent year's budget	<u>1,250,000</u>	
Total Adjustments	<u>1,634,039</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 4,539,085</u></u>
Actual Percentage		<u><u>4.00%</u></u>

Somers Central School District, New York

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

Capital Assets, net		\$ 98,313,082
Less		
Bonds payable	\$ (26,000,000)	
Unamortized premium on bonds	(1,990,208)	
Energy Performance Contract Debt Payable	(7,715,055)	
Financed purchase debt payable	<u>(921,966)</u>	(36,627,229)
Plus		
Unexpended debt proceeds	185,677	
Unamortized portion of loss on refunding bonds	<u>329,368</u>	<u>515,045</u>
Net Investment in Capital Assets		<u>\$ 62,200,898</u>

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

Independent Auditors' Report

The Board of Education of the Somers Central School District, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Somers Central School District, New York ("School District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 15, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 15, 2025