

HYDE PARK CENTRAL SCHOOL DISTRICT

**Financial Statements and
Required Reports
As of and For the Year Ended
June 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

October 3, 2025

To the Board of Education of
Hyde Park Central School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Hyde Park Central School District (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 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 Hyde Park Central School District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditor's Responsibilities for the Audit of the Financial Statement 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair representation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain a 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 auditor's 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgment, there are conditions or events, considered in the aggregate, that may 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 the management's discussion and analysis, budgetary comparison information, schedules of proportionate share of net pension (asset) liability and contributions – pension plans and changes in total OPEB liability, and related ratios 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 by placing the basic financial statements in an appropriate operational, economic, or historic 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 response 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

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 accompanying combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statement. The other information comprises the Schedule of Change from Original Budget to Revised Budget and the Real Property Tax Limit – General Fund, Schedule of Project Expenditures – Capital Projects Fund and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 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 School District's internal control over financial reporting and compliance.

HYDE PARK CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

FINANCIAL HIGHLIGHTS

- School-wide net position of the School District was (\$168,765,236).
- School-wide net position was \$12,521,982 greater than at June 30, 2025.
- Combined fund balance was \$32,702,786.
- Combined fund balance is \$3,198,746 less than at June 30, 2024.
- The School District substantially continued or enhanced all programs, without reducing services, while maintaining fund balance.
- In May 2024, voters approved the creation of a \$10 million capital reserve fund. This fund has \$2 million balance as of June 30, 2025, and along with the fully funded \$10 million reserve created in 2022, will be used to support future capital projects and bus purchases. While the 2024 capital reserve fund is not currently fully funded, the School District plans to transfer excess funds to it in the coming years.
- The School District saved \$2,053,645 in health insurance costs due to the Dutchess Educational Health Insurance Consortiums "holiday". The savings were used to partially fund the increase to the capital projects reserve.
- During the 2024-2025 school year, the School District spent the remaining ARPA fiscal stimulus funds of \$505,435. The entire grant award of \$9,086,014 was expended throughout the grant period, which ended September 30, 2024.
- Primarily due to decreasing interest rates, the School District's interest income decreased to \$1,575,809 in 2024-2025 from \$1,960,143 in 2023-2024.
- As approved by voters in February 2022, the district is currently undergoing facilities renovations and improvements as part of the \$35,717,292 capital project which addresses critical infrastructure needs across the school district. This comprehensive project encompasses a range of improvements, including:
 - **Safety and Security:** Security vestibules will be installed at all district buildings to enhance safety.
 - **Educational Spaces:** Auditorium renovations at the middle and high schools to improve learning environments.
 - **Athletic Facilities:** The track was resurfaced, and a new field turf was installed at FD Roosevelt High School.
 - **Infrastructure:** A new bus loop and parking lot were constructed at Ralph R. Smith Elementary School, and roofing and HVAC upgrades will occur at multiple schools.
 - **Utility Systems:** A new well and water system will be installed at Netherwood Elementary School, septic system upgrades will occur at the District Office.

FINANCIAL HIGHLIGHTS (Continued)

To facilitate efficient implementation, the capital project was divided into three phases:

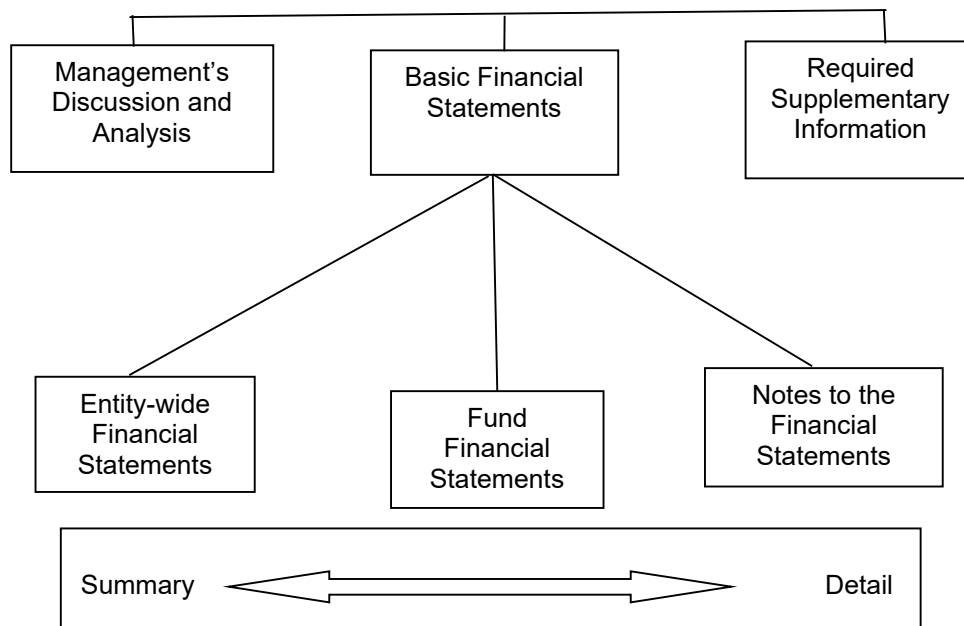
- **Phase 1:** Substantially completed in summer 2023, this phase focused on athletic field improvements and roof installation at FD Roosevelt High School and Hyde Park Elementary School.
- **Phase 2:** Substantially completed in fall 2025, this phase included security vestibules at Haviland Middle School, Violet Ave. Elementary and Ralph R. Smith Elementary, HVAC upgrades at Violet Ave. Elementary, auditorium renovations and new kitchen flooring at Haviland Middle School and a new bus loop and parking lot at Ralph R. Smith Elementary School.
- **Phase 3:** The final phase of the capital project is currently underway and addresses remaining improvements, such as the high school auditorium renovations and the security vestibules at remaining schools. We anticipate completing this phase in the late fall 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (MD&A) (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are *School-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the School-wide statements.
- The *governmental funds statements* tell how basic services, such as special education, were financed in the *short-term*.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year. Figure A-1 shows how the various sections of this annual report are arranged and related to one another.



OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

Figure A-2 Major Features of the School-Wide and Fund Financial Statements

	School-Wide	Fund Financial Statements
		Governmental Funds
Scope	Entire School District	The daily operating activities of the School District, such as instruction and special education.
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and change in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.
Type of asset/liability, deferred outflows/inflows of resources information	All assets, liabilities, deferred outflows & inflows of resources both financial and capital, short-term and long-term debt.	Current assets and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.

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

The two School-wide statements report the School District's *net position* and how they have changed. Net position – the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the School District's financial health or position.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

School-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenses using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
 - Net investment in capital assets.
 - Restricted net position has constraints placed on use by external sources or imposed by law.
 - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The School District has the following types of funds:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the School-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund, capital projects fund, and the miscellaneous special revenue fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Figure A-3 Condensed Statement of Net Position (In Thousands of Dollars)

	Fiscal Year 2025	Fiscal Year 2024	Percent Change
Current and other assets	\$ 68,003	\$ 62,156	9.41%
Noncurrent assets	105,770	93,499	13.12%
Total assets	<u>173,773</u>	<u>155,655</u>	11.64%
Deferred outflows of resources	<u>60,909</u>	<u>91,433</u>	-33.38%
Current liabilities	46,590	37,550	24.07%
Long-term liabilities	215,357	273,797	-21.34%
Total liabilities	<u>261,947</u>	<u>311,347</u>	-15.87%
Deferred inflows of resources	<u>141,501</u>	<u>117,028</u>	20.91%
Net position:			
Net investment in capital assets	69,379	72,317	-4.06%
Restricted	48,070	46,511	3.35%
Unrestricted	(286,214)	(300,115)	4.63%
Total net position	<u>\$ (168,765)</u>	<u>\$ (181,287)</u>	6.91%

The \$5.8 million increase in current assets is the result of an increase in general fund reserves of \$3.4 million, and the issuance of a \$25.1 million bond anticipation note (BAN) to cover capital projects expenditures. Of the total BAN amount issued, \$1.9 million was unspent as of June 30, 2025.

The change in deferred outflows of resources is primarily due to a change in assumptions used by the actuary in calculating Other Post-Employment Benefits liability and pensions.

The increase in current liabilities in the current year is primarily due to \$27,121,177 relating to bond anticipation payable. The bond payments due within one year changed from \$2,400,000 as of June 30, 2024 to \$1,865,000 as of June 30, 2025. The long-term liabilities decreased in current year due to changes in Other Post-Employment Benefits liability.

A large portion of the School District's net position, \$50.7 million, reflects its investment in capital assets (e.g. land, buildings, improvements, furniture, and equipment), less any related debt (serial bonds payable and obligations under capital leases) used to acquire those assets that is still outstanding and less deferred inflows, deferred outflows and long-term liability related to Other Post-Employment Benefits. An additional portion of the School District's net position, such as reserves for capital improvements and tax certioraris represent resources that are subject to external restrictions.

The remaining balance of unrestricted net position may be used to meet the School District's ongoing obligations.

The restricted net position amount has been reserved for tax certioraris, employee benefit accrued liability, retirement contributions, capital expenditures, debt service and special education legal liabilities.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Changes in Net Position (Continued)

The School District's 2025 revenue was \$131,146,822 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 55% and 34%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from fees for services, use of money and property, operating grants, and other miscellaneous sources.

The total cost of all programs and services totaled \$118,624,840 for 2025. These expenses are predominately for the education, supervision, and transportation of students (see Figure A-6). The School District's administrative and business activities accounted for 22% of total costs.

Figure A-4 Changes in Net Position from Operating Results (In Thousands of Dollars)

	Fiscal Year 2025	Fiscal Year 2024	Percent Change
Revenue:			
Charges for services	\$ 382	\$ 346	10.33%
Operating grants	8,771	9,811	-10.60%
General revenue:			
Property taxes	71,542	68,431	4.55%
Use of money and property	2,206	2,391	-7.73%
Sale of property and compensation for loss	52	26	101.62%
State aid	44,367	42,155	5.25%
Medicaid reimbursement	144	186	-22.53%
Miscellaneous	3,683	3,379	8.99%
Total revenue	<u>131,147</u>	<u>126,725</u>	3.49%
Expenses:			
General support	25,544	29,889	-14.54%
Instruction	80,166	80,618	-0.56%
Transportation	8,892	9,762	-8.92%
Debt service - Interest	1,710	1,267	34.95%
Cost of sales - Food	2,313	2,221	4.15%
Total expenses	<u>118,625</u>	<u>123,757</u>	-4.15%
Change in net position	<u>\$ 12,522</u>	<u>\$ 2,968</u>	-321.90%

Significant changes in revenue from 2023/2024 to 2024/2025 school year included:

- Real Property Taxes: \$3,110,820 increase
- State Aid: \$2,211,133 increase
- Interest Income: \$384,334 decrease
- Health Insurance Holiday: \$118,500 increase
- Refund of Prior Year expenditures: \$133,600 increase
- Bond Anticipation Notes Redeemed from Appropriations: \$217,234 decrease
- Food Service Revenues: \$224,533 increase

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Changes in Net Position (Continued)

Significant changes in expenditures from 2023/2024 to 2024/2025 school year included:

- Increase in transfer to debt service \$240,042 to cover serial bond and bond anticipation note payments.
- Increase in BOCES services expenses in the amount of \$914,172 due primarily to purchasing technology equipment through BOCES rather than directly from vendors.
- Increase in food costs of \$356,839, which is a result of increased student participation due to the School District's Community Eligibility Provision status and an increase in food costs.
- Transportation increases of \$463,141 due to increased payroll costs.
- Special Education and Regular Teaching expenditures increase of \$3.4 million due primarily to addition 31.2 FTE positions to the general fund, some of which had previously been included in the fiscal stimulus grants that ended on September 30, 2024.
 - Teachers: 16.2 FTE
 - Instructional Coaches: 4.0 FTE
 - Social Workers: 2.0 FTE
 - Occupational Therapist: 1.0 FTE
 - Teaching Assistants: 6.0 FTE

Figure A-5: Revenue Sources for 2025:

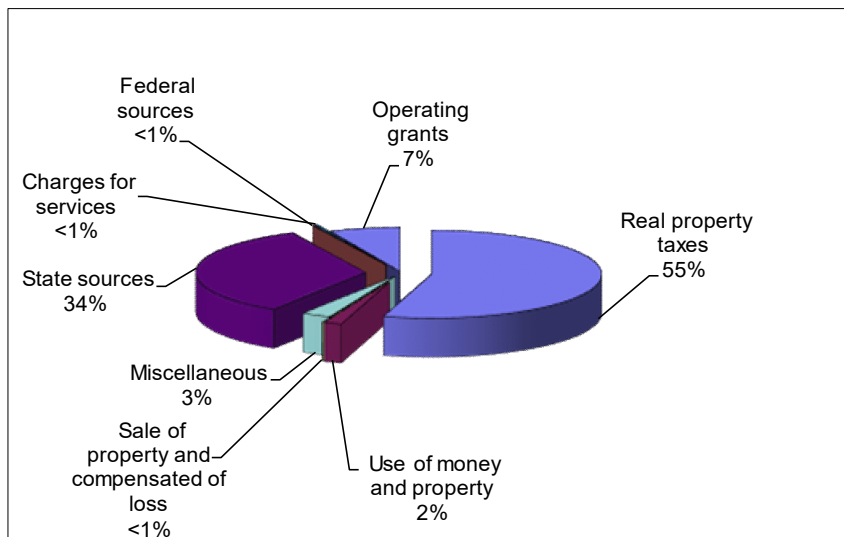
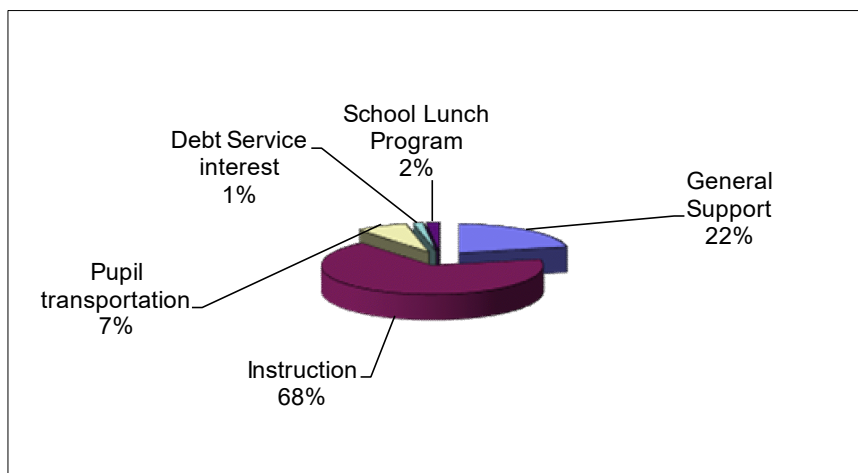


Figure A-6: Sources of Expenses for 2025:



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Governmental Activities

Revenue for the School District's governmental activities totaled \$131,146,822 while total expenses were \$118,624,840. Accordingly, net position increased by \$12,521,982.

Figure A-7 presents the cost of several of the School District's major activities. The figure also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Figure A-7 Net Cost of Governmental Activities (In Thousands of Dollars)

	Total Cost of Services <u>2025</u>	Net Cost of Services <u>2025</u>	Total Cost of Services <u>2024</u>	Net Cost of Services <u>2024</u>
General support	\$ 25,544	\$ 25,544	\$ 29,889	\$ 29,889
Instruction	80,166	73,632	80,618	72,895
Pupil transportation	8,892	8,892	9,762	9,762
Debt service - Interest	1,710	1,710	1,267	1,267
Cost of sales - Food	2,313	(305)	2,221	(212)
	<u>\$ 118,625</u>	<u>\$ 109,472</u>	<u>\$ 123,757</u>	<u>\$ 113,601</u>

The cost of all governmental activities for the year was \$118,624,840.

- The users of the School District's programs financed \$381,738 of the costs through charges for services.
- The federal and state government financed \$8,770,783 of the costs through operating grants.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the school-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

Governmental Funds Highlights

General Fund – The School District's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The original budget for the General Fund was revised by \$2,798,818 during the year. The supplemental appropriations consist of the Dutchess Educational Health Insurance Holiday (\$2,121,960), transfers from reserves to cover tax certiorari claims (\$135,070), donations (\$5,353), and carryover encumbrances from the prior year (\$536,426).

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Governmental Funds Highlights (Continued)

In the General Fund for the year-ended, June 30, 2025, actual revenues exceeded expenditures by \$4,145,531. Significant revenue sources include Real Property Taxes, STAR Reimbursement and Other Tax Items (\$71,542,127), and State Aid (\$44,366,684). New York State operating aid is tied to the growth in New York State personal income and the available funds in the state budget. Actual expenditures and encumbrances were \$4,025,430 less than revised budget. For the fiscal year 2025-2026, the School District has appropriated \$3,234,730 of fund balance to reduce the tax levy.

The total fund balance in the General Fund increased by \$4,145,531, during the 2024-2025 school year. At June 30, 2025, unassigned fund balance amounts to \$3,385,869 and total restricted fund balance is \$28,267,558. Significant changes in restricted fund balances between 2023-2024 school year to 2024-2025 school year includes the increase of \$2,000,000 to the capital project reserve, the addition of \$1,000,000 to the tax certiorari reserve.

Special Aid Fund – The Hyde Park Central School District received a substantial Stronger Connections Grant of \$3,511,789, which runs from November 1, 2023, through September 30, 2026. This federal funding supports high-need school districts in improving student mental health, promoting well-being, and fostering safer learning environments. The School District is primarily using the grant to operate the Family Resource Center and cover salaries for elementary school counselors and four Licensed Practical Nurses (LPNs).

School Lunch Fund – The fund ended the year with a fund balance of \$1,294,562, which is an increase of \$182,480 from prior year. The main factor for the increase in the school lunch fund is the school district's status in the Community Eligible Provision (CEP) in which all students qualify for free meals and the increased student participation the school lunch program generates additional state and federal aid.

Capital Projects Fund – The fund ended the year with a deficit fund balance of \$14,586,831, a decrease of \$9,667,333 from prior year. The increase in fund balance is caused by the capital project bond anticipation notes redeemed from appropriations.

Debt Service Fund – The fund ended the year with a fund balance of \$6,527,018.

Miscellaneous Special Revenue Fund – The fund ended the year with a fund balance of \$231,021. This fund includes scholarships (\$20,619), extracurricular activities (\$144,941) and donations (\$65,461).

General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the general fund.

Revenue Variances

- Revenues are more than budgeted primarily due to increased NYS aid and interest earnings.

Expenditure Variances

- The School District has a net favorable budgetary surplus of \$3,369,376. Significant budgetary variances include:
 - Central Services: \$824,486 due to extended staff vacancies, and unexpended equipment funds for Facilities & Operations vehicles as a result of the nearly year-long administrator vacancy.
 - Special Education: Private school tuition budget was \$391,876 more than actual expenditures.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights (Continued)

Expenditure Variances (Continued)

- Employee Benefits: \$2,053,645 in health insurance costs due to the Dutchess Educational Health Insurance Consortiums "holiday" in which excess fund balance of the consortium was used to offset one month's cost of every participating school district.
- Transportation: \$113,327 in fuel savings.
- Regular School Teaching: \$91,000 budgeted for college course credits unspent.

Results vs. Budget (In Thousands of Dollars)

The general fund is the only fund for which a budget is legally adopted.

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Local sources	\$ 72,914	\$ 75,042	\$ 76,809	\$ -	\$ 1,767
State sources	44,652	44,652	44,367	-	(285)
Federal sources	367	367	372	-	5
Medicaid reimbursement	215	215	144	-	(71)
Total	<u>118,148</u>	<u>120,275</u>	<u>121,692</u>	<u>-</u>	<u>1,417</u>
Expenditures:					
General support	12,044	14,350	11,911	1,614	824
Instruction	60,290	61,426	58,929	607	1,890
Transportation	7,464	7,506	6,898	-	608
Debt service - Interest	-	-	2	-	(2)
Debt service - Principal	-	-	664	-	(664)
Employee benefits	<u>34,894</u>	<u>34,174</u>	<u>33,512</u>	<u>-</u>	<u>662</u>
Total	<u>114,692</u>	<u>117,456</u>	<u>111,916</u>	<u>2,221</u>	<u>3,319</u>
Other financing sources (uses)					
Proceeds from issuance of leases	-	-	656	-	(656)
Transfers out	<u>(6,303)</u>	<u>(6,338)</u>	<u>(6,287)</u>	<u>-</u>	<u>(51)</u>
Total	<u>(6,303)</u>	<u>(6,338)</u>	<u>(5,631)</u>	<u>-</u>	<u>(707)</u>
Revenue over/under expenditures	<u>\$ (2,847)</u>	<u>\$ (3,518)</u>	<u>\$ 4,146</u>	<u>\$ (2,221)</u>	<u>\$ 5,442</u>

The most significant budget adjustments include the DEHIC health insurance holiday (\$2.12 million) and transfer from tax cert reserve for a consent judgment (\$131.8 thousand).

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the School District had \$99,757,155 invested in buildings, computers, and other educational equipment.

Figure A-8 Capital Assets (In Thousands of Dollars), net of accumulated depreciation

	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>
Land	\$ 1,166	\$ 1,166
Buildings and improvements	70,626	74,313
Construction in progress	18,612	8,534
Land improvements	1,955	2,219
Machinery and equipment	6,484	6,715
Lease equipment/software	913	552
Total	<u>\$ 99,757</u>	<u>\$ 93,499</u>

Long-Term Liabilities

As of June 30, 2025, the School District had \$226,595,057 in long-term liabilities. Detailed information about the School District's long-term liabilities is included in the notes to the financial statements.

Figure A-9 Outstanding Long-Term Liabilities (In Thousands of Dollars)

	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>
General obligation bonds	\$ 17,086	\$ 19,556
Compensated absences	3,077	2,787
Lease obligations	4	12
Judgments and claims	1,756	1,784
Net pension liability	5,528	7,700
Total other postemployment benefits	<u>199,145</u>	<u>253,204</u>
Total	<u>\$ 226,595</u>	<u>\$ 285,043</u>

During 2025, the School District paid down its long-term bonded debt by \$2,400,000. Further the School District's OPEB liability decreased by \$54,059,632 due to the net effect of changes in actuarial assumptions.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the School District was aware of the following existing conditions that could significantly affect its financial health in the future:

- The Hyde Park Central School District received a substantial Stronger Connections Grant of \$3,511,789, which runs from November 1, 2023, through September 30, 2026. This federal funding supports high-need school districts in improving student mental health, promoting well-being, and fostering safer learning environments. The School District is primarily using the grant to operate the Family Resource Center and cover salaries for elementary school counselors and four Licensed Practical Nurses (LPNs). To sustain these critical resources and staff after the grant expires in September 2026, the district will need to allocate approximately \$785,000 annually from the general fund budget.
- New York State law mandates that all school buses purchased after July 1, 2027, must be zero-emission, with districts required to fully convert their fleets by July 1, 2035. The Hyde Park Central School District secured \$5.7 million in EPA and NYSERDA grants to buy 17 electric buses in preparation for this shift. However, district voters have twice rejected the bus purchase during the 2024-2025 school year. Despite being proactive and securing grant funding to offset the higher upfront cost of electric buses compared to diesel models, the district now faces the difficult challenge of both meeting the state's zero-emission deadline and gaining voter approval for the necessary fleet transition.

Bond Ratings

Moody's Investor Services (Moody's) assigned a rating of Aa3 to outstanding uninsured bonds of the School District, for which the School District has continued to maintain. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investor Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the notes or the availability of a secondary market for the notes. The School District recently underwent a credit rating analysis from Standard and Poor's and received a rating of AA-.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Linda Steinberg
Assistant Superintendent for Finance & Operations
Hyde Park Central School District
P.O. Box 2033
Hyde Park, New York 12538

HYDE PARK CENTRAL SCHOOL DISTRICT**STATEMENT OF NET POSITION
JUNE 30, 2025****ASSETS****CURRENT ASSETS:**

Cash and cash equivalents - unrestricted	\$ 10,996,369
Cash and cash equivalents - restricted	48,069,792
Accounts receivable	75,330
State and federal aid receivable	6,349,254
Due from other governments	341,063
Prepaid expenses	2,127,451
Inventory	43,780
Total current assets	<u>68,003,039</u>

NONCURRENT ASSETS:

Net pension asset - TRS	6,013,243
Capital assets, not depreciated	19,778,013
Capital assets, net	<u>79,979,142</u>
Total noncurrent assets	<u>105,770,398</u>

TOTAL ASSETS 173,773,437

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - ERS	3,146,633
Deferred outflows of resources - TRS	14,263,043
Deferred outflows of resources - OPEB	43,412,544
Deferred outflows of resources - refunding	<u>87,096</u>
Total Deferred Outflows of Resources	<u>60,909,316</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES 234,682,753

LIABILITIES**CURRENT LIABILITIES:**

Accounts payable and accrued liabilities	2,521,904
Unearned revenue	75,977
Bond anticipation notes	27,121,177
Due to Teachers' Retirement System	4,730,857
Due to Employees' Retirement System	572,541
Bond interest accrual	51,491
Due to other governments	277,797
Lease payable due within one year	2,852
Total other postemployment benefits liability due within one year	9,076,798
Compensated absences due within one year	293,634
Bonds payable due within one year	<u>1,865,000</u>
Total current liabilities	<u>46,590,028</u>

LONG-TERM LIABILITIES:

Lease payable, net current portion	1,173
Bonds payable, net of current portion	15,070,000
Bonds premium, net	150,683
Total other postemployment benefits liability	190,067,717
Net pension liability - ERS	5,528,461
Judgments and claims	1,755,619
Compensated absences	<u>2,783,120</u>
Total long-term liabilities	<u>215,356,773</u>

TOTAL LIABILITIES 261,946,801

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - ERS	510,195
Deferred inflows of resources - TRS	7,570,126
Deferred inflows of resources - OPEB	<u>133,420,867</u>
Total Deferred Inflows of Resources	<u>141,501,188</u>

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES 403,447,989

NET POSITION

Net investment in capital assets	69,378,658
Restricted	48,069,792
Unrestricted	<u>(286,213,686)</u>
TOTAL NET POSITION	<u>\$ (168,765,236)</u>

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenue		Net (Expense)
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Revenue and Changes in Net Position</u>
FUNCTIONS/PROGRAMS:				
General support	\$ 25,543,975	\$ -	\$ -	\$ (25,543,975)
Instruction	80,166,418	300,088	6,234,114	(73,632,216)
Pupil transportation	8,891,536	-	-	(8,891,536)
Debt service interest	1,709,768	-	-	(1,709,768)
School lunch program	<u>2,313,143</u>	<u>81,650</u>	<u>2,536,669</u>	<u>305,176</u>
TOTAL FUNCTIONS/PROGRAMS	<u>\$ 118,624,840</u>	<u>\$ 381,738</u>	<u>\$ 8,770,783</u>	<u>(109,472,319)</u>
GENERAL REVENUE:				
Real property taxes				71,542,127
Use of money and property				2,206,157
Sale of property and compensation for loss				52,420
Miscellaneous				3,682,823
State sources				44,366,684
Medicaid reimbursement				<u>144,090</u>
TOTAL GENERAL REVENUE				<u>121,994,301</u>
CHANGE IN NET POSITION				<u>12,521,982</u>
NET POSITION - beginning of year				<u>(181,287,218)</u>
NET POSITION - end of year				<u>\$ (168,765,236)</u>

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2025

	General	Capital Projects	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	\$ 10,946,353	\$ -	\$ 50,016	\$ 10,996,369
Cash and cash equivalents - restricted	28,267,558	13,745,292	6,056,942	48,069,792
Accounts receivable	74,219	-	1,111	75,330
Due from other funds	2,735,297	-	1,780,106	4,515,403
State and federal aid receivable	3,118,660	-	3,230,594	6,349,254
Due from other governments	341,063	-	-	341,063
Prepaid expenditures	2,127,451	-	-	2,127,451
Inventory	-	-	43,780	43,780
TOTAL ASSETS	\$ 47,610,601	\$ 13,745,292	\$ 11,162,549	\$ 72,518,442
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 1,579,354	\$ 359,281	\$ 583,269	\$ 2,521,904
Bond anticipation notes	-	27,121,177	-	27,121,177
Unearned revenue	61,875	-	14,102	75,977
Due to other funds	1,151,180	851,665	2,512,558	4,515,403
Due to other governments	277,778	-	19	277,797
Due to Teachers' Retirement System	4,730,857	-	-	4,730,857
Due to Employees' Retirement System	572,541	-	-	572,541
TOTAL LIABILITIES	\$ 8,373,585	\$ 28,332,123	\$ 3,109,948	\$ 39,815,656

(Continued)

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS (Continued) JUNE 30, 2025

	General	Capital Projects	Non-Major Funds	Total Governmental Funds
FUND BALANCE:				
Nonspendable:				
Inventory	\$ -	\$ -	\$ 43,780	\$ 43,780
Prepaid expenditures	2,127,451	-	-	2,127,451
Total nonspendable fund balance	2,127,451	-	43,780	2,171,231
Restricted:				
Unemployment reserve	121,340	-	-	121,340
Retirement contributions - ERS	6,627,129	-	-	6,627,129
Retirement contributions - TRS	3,293,517	-	-	3,293,517
Employee benefits and accrued liabilities	2,663,541	-	-	2,663,541
Capital projects	12,389,412	13,745,292	-	26,134,704
Tax certiorari	2,342,207	-	-	2,342,207
Liability reserve	711,222	-	-	711,222
Repair reserve	119,190	-	-	119,190
Debt service	-	-	5,860,157	5,860,157
Other	-	-	196,785	196,785
Total restricted fund balance	28,267,558	13,745,292	6,056,942	48,069,792
Assigned:				
Unappropriated	2,221,408	-	1,951,879	4,173,287
Appropriated for subsequent year expenditures	3,234,730	-	-	3,234,730
Total assigned fund balance	5,456,138	-	1,951,879	7,408,017
Unassigned	3,385,869	(28,332,123)	-	(24,946,254)
TOTAL FUND BALANCE	39,237,016	(14,586,831)	8,052,601	32,702,786
TOTAL LIABILITIES AND FUND BALANCE	\$ 47,610,601	\$ 13,745,292	\$ 11,162,549	\$ 72,518,442

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION JUNE 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balance	\$ 32,702,786
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	99,757,155
Pension related government wide activity:	
Deferred outflows - ERS/TRS	17,409,676
Deferred inflows - ERS/TRS	(8,080,321)
Net pension liability - ERS	(5,528,461)
Net pension asset - TRS	6,013,243
OPEB related government wide activity:	
Deferred outflows of resources	43,412,544
Deferred inflows of resources	(133,420,867)
Total OPEB liability	(199,144,515)
Long-term bonds payable and lease payable are not due in the current period and, therefore, are not reported in the funds	(16,939,025)
Deferred amount on bond refundings in governmental-wide statements using the full accrual method of accounting, not recognized on the fund financial statements, which use the modified accrual method	87,096
Long-term liabilities, including bond premium, compensated absences and judgments and claims are not due and payable in the current period and, therefore, are not reported in the funds	(4,983,056)
Interest payable is to be recorded in the government-wide statements under full accrual accounting	<u>(51,491)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (168,765,236)</u>

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	General	Capital Projects	Non-Major Funds	Total Governmental Funds
REVENUE:				
Real property taxes	\$ 71,542,127	\$ -	\$ -	\$ 71,542,127
Charges for services	300,088	-	-	300,088
Use of money and property	1,660,613	-	545,544	2,206,157
Sale of property and compensation for loss	52,420	-	-	52,420
Miscellaneous	3,253,614	-	267,882	3,521,496
State sources	44,366,684	-	2,872,088	47,238,772
Medicaid reimbursement	144,090	-	-	144,090
Federal sources	372,360	-	5,526,335	5,898,695
Sales - School lunch	-	-	81,650	81,650
Total revenue	<u>121,691,996</u>	<u>-</u>	<u>9,293,499</u>	<u>130,985,495</u>
EXPENDITURES:				
General support	11,911,163	-	-	11,911,163
Instruction	58,928,695	-	5,967,328	64,896,023
Pupil transportation	6,897,982	-	248,689	7,146,671
Employee benefits	33,511,613	-	405,308	33,916,921
Debt service - Interest	2,365	-	1,732,577	1,734,942
Debt service - Principal	663,862	-	4,065,000	4,728,862
Cost of sales	-	-	2,089,908	2,089,908
Capital outlay	-	10,036,342	-	10,036,342
Other	-	-	205,790	205,790
Total expenditures	<u>111,915,680</u>	<u>10,036,342</u>	<u>14,714,600</u>	<u>136,666,622</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>9,776,316</u>	<u>(10,036,342)</u>	<u>(5,421,101)</u>	<u>(5,681,127)</u>
OTHER FINANCING SOURCES (USES):				
BANs redeemed from appropriations	-	1,665,000	-	1,665,000
Premium on issuance of debt	-	-	161,327	161,327
Proceeds from the issuance of leases	656,054	-	-	656,054
Operating transfers in	-	100,000	7,582,830	7,682,830
Operating transfers (out)	<u>(6,286,839)</u>	<u>(1,395,991)</u>	<u>-</u>	<u>(7,682,830)</u>
Total other financing sources (uses)	<u>(5,630,785)</u>	<u>369,009</u>	<u>7,744,157</u>	<u>2,482,381</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>4,145,531</u>	<u>(9,667,333)</u>	<u>2,323,056</u>	<u>(3,198,746)</u>
FUND BALANCE - beginning of year	<u>35,091,485</u>	<u>(4,919,498)</u>	<u>5,729,545</u>	<u>35,901,532</u>
FUND BALANCE - end of year	<u>\$ 39,237,016</u>	<u>\$ (14,586,831)</u>	<u>\$ 8,052,601</u>	<u>\$ 32,702,786</u>

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

Net changes in fund balance - Total governmental funds	\$ (3,198,746)
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	10,429,026
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(4,532,514)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities .	(294,786)
Leases are expenditures in governmental funds, net of disposals, but are capitalized in the statement of net position.	656,054
Repayments of long-term debt, including leases, are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	3,063,862
Bond premiums amortization is not recorded as revenue in the governmental funds, but is recorded in the statement of activities.	70,711
Deferred amount on bond refunding amortization is not recorded as expenditures in the governmental funds, but are recorded in the statement of activities.	(43,548)
Issuance of long-term lease liabilities are recorded as expenditures in the governmental funds, but are recorded as a liability in the statement of net position.	(656,054)
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(289,416)
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	5,898,409
Pension expense resulting from GASB 68 related reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities.	1,392,610
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	<u>26,374</u>
Change in net position - Governmental activities	<u>\$ 12,521,982</u>

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hyde Park Central School District provides K-12 public education to students living within its geographic borders.

The financial statements of Hyde Park Central School District (School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board, (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized by the School District are described below:

Reporting Entity

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

The reporting entity of the School District is based upon criteria set forth by generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is included in the School District's reporting entity:

Extraclassroom Activity Funds

The extraclassroom activity funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. Separate audited financial statements, (cash basis) of the extraclassroom activity funds can be found at the School District's business office. The School District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue fund.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture

The School District is a component School District of the Dutchess County Board of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of School Districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a School District can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES board is considered a corporate body. Members of a BOCES board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES board as a corporation (§1950(6)). In addition, BOCES boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n (a) of the New York State General Municipal Law.

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

Financial statements for the BOCES are available from the BOCES administrative office.

Basis of Presentation

School-Wide Statements

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

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

Fund Financial Statements

The School District uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The fund statements provide information about the School District's funds.

Separate statements for each fund category (governmental) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The accounts of the School District are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types used by the School District are as follows:

Governmental Fund Types

Governmental funds are those in which most governmental functions of the School District are reported. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income.

The School District reports the following major governmental funds:

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

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

The School District reports the following non-major governmental funds:

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

School Lunch Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Miscellaneous Special Revenue Fund: This fund accounts for proceeds from various funding sources, which may be restricted by donors or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Funds and scholarships are included in this fund.

Debt Service Fund: This fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The School-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The School District considers all revenue reported in the governmental funds to be available if the revenue is collected within ninety days after the end of the fiscal year. Revenue from state and federal grants is recognized when all eligibility requirements have been satisfied.

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

Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in demand deposit accounts and amounts with the New York Liquid Asset Fund (NYLAF). The School District's deposit 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. Permissible investments include NYLAF, obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions and accordingly, the School District's policy provides for no credit risk on investments.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by FDIC 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.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Restricted Cash and Cash Equivalents

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purpose.

Accounts Receivable/State and Federal Receivables

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

Inventory and Prepaid Items

Inventory of food in the school lunch fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the School District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the School-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance has been classified as nonspendable to indicate that inventory and prepaids do not constitute available spendable resources.

Interfund Transactions

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

In the school-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different funds. Eliminations have been made for all interfund receivables and payables between the funds.

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets, Net

Land and construction in progress are not depreciated. Capitalization thresholds, (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the School-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 5,000	N/A	N/A
Buildings and improvements	5,000	SL	20-50
Machinery and equipment	5,000	SL	5-20

Capital assets also include lease and SBITA assets with term greater than one year. The School District does not implement a capitalization threshold for lease assets. Lease and SBITA assets are amortized on a straight-line basis over the term of the lease and SBITA.

Unearned Revenue

Unearned revenue is reported when potential revenue meets both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Statute provides the authority for the School District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year rather than when measurable and available.

Unearned revenue recorded in governmental funds is generally not recorded in the School-wide statements.

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the School-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources.

Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the School District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

Deferred Outflows of Resources

Deferred outflows of resources, in the statement of net position, represents a consumption of net position that applies to the future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) so will not be recognized as an inflow of resources (revenue) until that time.

Property Taxes

Real property taxes are levied annually by the board of education no later than September 1, and are collected during the period September to mid- October.

Uncollected real property taxes are subsequently enforced the County of Dutchess. The County guarantees the full payment of the School District by April 1 each year and therefore, the School District is assured of collecting its entire annual tax levy.

Vested Employee Benefits

Compensated absences

In accordance with GASB Statement No. 101, Compensated Absences, the School District recognizes a liability for leave time that has (1) been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences as recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The compensated liability includes salary related benefits, where applicable.

The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the governmental fund inasmuch as it will be funded from current financial resources and the statement of net position for amounts to be paid from future financial resources.

Other Benefits

School District employees participate in the New York State Employees' Retirement System or the New York State Teachers' Retirement System.

Other Postemployment Benefits

In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee.

Restricted Resources

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits

In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee.

Restricted Resources

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

Fund Balance/Net Position Classifications

School-Wide Statements

In the School-wide statements, there are three classes of net position:

Net investment in capital assets - consists of net capital assets, (cost less accumulated depreciation) plus unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets.

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

Restricted net position consists of the following:

Unemployment reserve	\$ 121,340
Retirement contributions - ERS	6,627,129
Retirement contributions - TRS	3,293,517
Employee benefits and accrued liabilities	2,663,541
Capital Projects	26,134,704
Tax certiorari	2,342,207
Liability reserve	711,222
Repair reserve	119,190
Debt service	5,860,157
Other	196,785
Total:	<u>\$ 48,069,792</u>

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

Governmental Fund Statements

In the fund basis statements there are five classifications of fund balance:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually are required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the school lunch fund and prepaid expenditures in the general fund.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has available the following restricted fund balances:

Capital Reserve

Capital reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund under restricted fund balance.

Repair

Repair reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The board of education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve, (opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the general fund under restricted fund balance.

Workers' Compensation

Workers' compensation reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund under restricted fund balance.

Unemployment Insurance

Unemployment insurance reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund under restricted fund balance.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Reserve for Debt Service

Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. The reserve is accounted for in the debt service fund under restricted fund balance.

Insurance Reserve

Insurance reserve is used to pay liability, casualty, and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law, (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund under restricted fund balance.

Liability Claims and Property Loss

Liability claims and property loss reserve, (Education Law §1709(8) (c), are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by School Districts, except city School Districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

Tax Certiorari Reserve

Tax certiorari reserve, (Education Law §3651.1-a), is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the general fund under restricted fund balance.

Employee Benefit Accrued Liability Reserve

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund under restricted fund balance.

Employee Retirement Contribution

Employee Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the board. This reserve is accounted for in the general fund under restricted fund balance.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2025.

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$2,221,408. As of June 30, 2025, the School District's encumbrances were classified as follows:

General support	\$ 1,614,165
Instruction	<u>607,243</u>
Total encumbrances	<u><u>\$ 2,221,408</u></u>

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the general fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Unassigned fund balance - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the School District can retain to no more than 4% of the School District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Fund Balance Spending Policy

The School District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as assigned fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

2. **EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND SCHOOL-WIDE STATEMENTS**

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

Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

Total fund balance of the School District's governmental funds differs from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets. Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

Statement of Revenue, Expenditures, and Change in Fund Balance vs. Statement of Activities

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

Pension Differences

Pension differences occur as a result of changes in the School District's proportion of the collective net pension asset/liability and differences between the School District's contributions and its proportionate share of the total contributions to the pension systems.

OPEB Differences

OPEB differences occur as a result of changes in the School District's total OPEB liability and differences between the School District's contributions and OPEB expense.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The School District's administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the School District approved the proposed appropriations budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year.

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

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

Fund Balance

Portions of fund balances are restricted and not available for current expenditures, as reported in the governmental funds' balance sheet.

The fund deficit in the Capital Projects Fund will be eliminated in future years as outstanding bond anticipation notes are either redeemed from appropriations or replaced with long term debt.

4. CASH AND CASH EQUIVALENTS

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. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these Notes.

The School District participates in NYLAF, a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2025, the School District held \$13,770,830 in NYLAF consisting of various investments in securities issued by the United States and its agencies. NYLAF is rated 'AAAm' from Standard & Poor's Global Ratings. Amounts held with NYLAF are highly liquid, and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Due to the highly liquid nature of these investments, they are classified as cash equivalents in the financial statements. Additional information concerning NYLAF, including the annual report, can be found on its website at www.nylaf.org.

4. CASH AND CASH EQUIVALENTS (Continued)

The School District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	\$ 36,581,427	\$ 45,295,331
Cash equivalents	<u>13,770,830</u>	<u>13,770,830</u>
	<u>\$ 50,352,257</u>	<u>\$ 59,066,161</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	\$ 21,708,426	
Covered by FDIC insurance	<u>14,873,001</u>	
Total	<u>\$ 36,581,427</u>	

The cash equivalents held at NYLAF are collateralized as follows: U.S. Treasuries and bank deposit guaranteed or collateralized by the U.S. government and its agencies and therefore do not require collateral. The other permissible investments are collateralized in accordance with NYS GML section 10.

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

Restricted cash consists of the following:

General fund:

Unemployment reserve	\$ 121,340
Retirement contributions - ERS	6,627,129
Retirement contributions - TRS	3,293,517
Employee benefits and accrued liabilities	2,663,541
Capital Projects	12,389,412
Tax certiorari	2,342,207
Liability reserve	711,222
Repair reserve	<u>119,190</u>
	<u>\$ 28,267,558</u>

Capital Projects fund	<u>\$ 13,745,292</u>
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Debt Service fund	<u>\$ 5,860,157</u>
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Miscellaneous Special Revenue fund:

Cash on deposit for scholarships and extraclassroom activity funds	<u>\$ 196,785</u>
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5. PARTICIPATION IN BOCES

During the year, the School District was billed \$11,229,340 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$2,715,081.

6. CAPITAL ASSETS, NET

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 1,166,185	\$ -	\$ -	\$ 1,166,185
Construction in progress	8,534,120	10,077,708	-	18,611,828
Total non-depreciable cost	9,700,305	10,077,708	-	19,778,013
Capital assets that are depreciated:				
Land improvements	5,660,767	-	-	5,660,767
Buildings and improvements	106,070,998	-	1,115,512	104,955,486
Machinery and equipment	19,242,435	1,703,793	1,009,271	19,936,957
Total depreciable historical cost	130,974,200	1,703,793	2,124,783	130,553,210
Less accumulated depreciation:				
Land improvements	3,441,447	263,853	-	3,705,300
Buildings and improvements	31,758,437	2,570,958	-	34,329,395
Machinery and equipment	12,527,327	1,697,703	772,308	13,452,722
Total accumulated depreciation	47,727,211	4,532,514	772,308	51,487,417
Lease assets, being amortized				
Intangible Right-to-Use Software Arrangement (SBITA)	75,441	-	-	75,441
Intangible Right-to-Use Lease - Equipment	918,379	656,054	144,864	1,429,569
Total lease assets, being amortized	993,820	656,054	144,864	1,505,010
Less accumulated amortization				
Intangible Right-to-Use Software Arrangement (SBITA)	40,786	23,145	-	63,931
Intangible Right-to-Use Lease - Equipment	400,953	271,641	144,864	527,730
Total accumulated amortization	441,739	294,786	144,864	591,661
Total governmental activities capital asset, net	\$ 93,499,375	\$ 7,610,255	\$ 1,352,475	\$ 99,757,155

6. CAPITAL ASSETS, NET (Continued)

Depreciation and amortization expense for the year ended June 30, 2025, was allocated to specific functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General support	\$ 699,288	\$ -
Instruction	3,094,213	294,786
Pupil transportation	728,203	-
Cost of sales	10,810	-
Total	<u>\$ 4,532,514</u>	<u>\$ 294,786</u>

7. SHORT-TERM DEBT

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

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

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

At June 30, 2025, the School District had the following BANs outstanding:

BAN	Issued	Maturity	Interest Rate	Beginning Balance	Issued	Principal Paid	Redeemed	Ending Balance
Capital Project Buses 2023-2024	6/14/2024	6/13/2025	4.50%	\$ 1,605,000	\$ -	\$ 555,000	\$ 1,050,000	\$ -
School Construction 2023-2024	6/25/2024	6/25/2025	4.50%	17,375,000	-	955,000	16,420,000	-
Capital Project Buses 2024-2025	10/18/2024	6/13/2025	4.00%	-	1,075,000	155,000	920,000	-
School Construction 2024-2025	6/24/2025	6/24/2026	3.75%	-	25,151,177	-	-	25,151,177
Capital Project Buses 2024-2025	6/12/2025	6/12/2026	4.25%	-	1,970,000	-	-	1,970,000
				<u>\$ 18,980,000</u>	<u>\$ 28,196,177</u>	<u>\$ 1,665,000</u>	<u>\$ 18,390,000</u>	<u>\$ 27,121,177</u>

8. LONG-TERM DEBT

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

Interest paid	\$ 1,734,942
Less: interest accrued in the prior year	(49,502)
Less: amortization expense on bond premium	(70,711)
Plus: interest accrued in the current year	51,491
Plus: amortization expense on refunding bonds	43,548
Total expense	<u>\$ 1,709,768</u>

Long-term liability balances and activity for the year are summarized below:

	July 01, 2024			June 30, 2025	Amounts Due Within One Year	Long-term Portion
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>		
Government activities:						
Bonds and notes payable						
General obligation debt:						
Serial bonds	\$ 19,335,000	\$ -	\$ 2,400,000	\$ 16,935,000	\$ 1,865,000	\$ 15,070,000
Bond premium	221,394	-	70,711	150,683	-	150,683
Other long-term debt:						
Compensated absences	2,787,338	289,416 (A)	-	3,076,754	293,634	2,783,120
Lease obligations	11,833	656,054	663,862	4,025	2,852	1,173
Net pension liability - ERS	7,699,763	107,351	2,278,653	5,528,461	-	5,528,461
Judgments and claims	1,783,982	-	28,363	1,755,619	-	1,755,619
Total other postemployment benefits	<u>253,204,147</u>	<u>17,397,754</u>	<u>71,457,386</u>	<u>199,144,515</u>	<u>9,076,798</u>	<u>190,067,717</u>
Total long-term liabilities	<u>\$ 285,043,457</u>	<u>\$ 18,450,575</u>	<u>\$ 76,898,975</u>	<u>\$ 226,595,057</u>	<u>\$ 11,238,284</u>	<u>\$ 215,356,773</u>

(A) Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately.

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2025 <u>Balance</u>
Construction Bond	2015	2029	2.15%	\$ 2,265,000
Construction Bond	2017	2032	2.25%	670,000
Construction Bond - 2017 Refunding	2017	2027	4.00%	520,000
Construction Bond	2022	2035	4.00%	1,125,000
Construction Bond	2022	2038	5.00%	<u>12,355,000</u>
				<u>\$ 16,935,000</u>

8. LONG-TERM DEBT (Continued)

The following is a summary of the maturity of bonds payable:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,865,000	\$ 758,052	\$ 2,623,052
2027	1,915,000	687,226	2,602,226
2028	1,735,000	612,700	2,347,700
2029	1,560,000	544,850	2,104,850
2030	1,215,000	480,500	1,695,500
2031-2035	6,525,000	1,499,100	8,024,100
2036-2038	<u>2,120,000</u>	<u>166,500</u>	<u>2,286,500</u>
Totals	<u>\$ 16,935,000</u>	<u>\$ 4,748,928</u>	<u>\$ 21,683,928</u>

In prior years, the School District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. \$560,000 of bonds outstanding are considered defeased at June 30, 2025.

Constitutional Debt Limit

The constitution of the state of New York limits the amount of indebtedness which may be issued by the School District. The School District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit do not exceed 10% of the average full valuation of taxable real estate within such District. At June 30, 2025, the School District has exhausted 10% of its constitutional debt limit.

9. LEASES

The School District leases various equipment, primarily from Pitney Bowes and Dutchess BOCES. The leases do not contain renewal options. The leases have various inception dates and remaining terms of 3-46 months. Lease agreements are summarized as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Total</u> <u>Lease Liability</u>
Pitney Bowes Equipment	2.16%	\$ <u>4,025</u>
Total		\$ <u>4,025</u>

Activity of lease liabilities for the year ended June 30, 2025, is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amount Due</u> <u>Within One Year</u>
\$ <u>11,833</u>	\$ <u>656,054</u>	\$ <u>663,862</u>	\$ <u>4,025</u>	\$ <u>2,852</u>

9. LEASES (Continued)

Annual requirements to amortize long-term obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,852	\$ 67	\$ 2,919
2027	376	41	417
2028	391	26	417
2029	406	10	416
Total Future Payments	<u>\$ 4,025</u>	<u>\$ 144</u>	<u>\$ 4,169</u>

10. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables, other than between governmental activities, are eliminated on the statement of net position.

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

The following is a summary of interfund activity:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 2,735,297	\$ 1,151,180	\$ -	\$ 6,286,839
Special Aid fund	-	2,512,558	354,263	-
School Lunch fund	1,078,235	-	-	-
Debt Service fund	666,861	-	7,193,567	-
Misc. Special Revenue fund	35,010	-	35,000	-
Capital Projects fund	-	851,665	100,000	1,395,991
Totals	<u>\$ 4,515,403</u>	<u>\$ 4,515,403</u>	<u>\$ 7,682,830</u>	<u>\$ 7,682,830</u>

All interfund payables are expected to be repaid within one year.

11. PENSION PLANS

New York State Employees' Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an employer elects to participate in the System, 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 (GLIP), which provides death benefits in the form of life insurance. The system 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/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27th, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent 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 Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2025	\$ 2,010,734
2024	1,755,708
2023	1,514,616

New York State Employees' Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2025, the School District reported a net pension liability of \$5,528,461 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2024. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025, the School District's proportion was 0.032244%, which was a decrease from its proportion measured at June 30, 2024 of 0.004574%.

11. PENSION PLANS (Continued)

For the year ended June 30, 2025, the School District recognized pension expense of \$1,290,725. At June 30, 2025, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,372,201	\$ 64,728
Changes of Assumptions	231,853	-
Net difference between projected and actual earnings on pension plan investments	433,748	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	536,290	445,467
Contributions subsequent to the measurement date	572,541	-
Total	<u>\$ 3,146,633</u>	<u>\$ 510,195</u>

The School District recognized \$572,541 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2025 which will be recognized as a decrease to the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ending March 31,	2026	\$ 1,028,193
	2027	1,474,596
	2028	(428,796)
	2029	(10,096)
	Thereafter	-
		<u>\$ 2,063,897</u>

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Actuarial Assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.3 % indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

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 and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of term</u>
Domestic Equity	25%	3.54%
International Equity	14%	6.57%
Private Equity	15%	7.25%
Real Estate	12%	4.95%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real Assets	4%	5.55%
Fixed Income	22%	2.00%
Cash	1%	0.25%
	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. 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. Based upon the assumptions, the Plan'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.

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.90%) or 1% higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ 16,000,062</u>	<u>\$ 5,528,461</u>	<u>\$ (3,215,333)</u>

Pension Plan Fiduciary Net Position

The components of the pension plan's net pension liability as of March 31, 2025, was as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 247,600,239
Net position	230,454,512
Net pension liability (asset)	<u>\$ 17,145,727</u>
ERS net position as a percentage of total pension liability	93.08%

New York State Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Contributions (Continued)

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The School District is required to contribute at an actuarially determined rate. The School District contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>TRS</u>
2025	\$ 4,150,252
2024	3,755,212
2023	3,786,792

Pension Assets, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2025, the School District reported a net pension asset of \$6,013,243 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2024. The School District's proportion of the net pension asset was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025 the School District's proportionate share was 0.201543%, which was an increase from its proportion measured at June 30, 2024 of 0.002288%.

For the year ended June 30, 2025, the School District recognized pension expense of \$3,318,396. At June 30, 2025 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,475,159	\$ -
Changes of Assumptions	3,597,138	605,072
Net difference between projected and actual earnings on pension plan investments	-	6,681,226
Changes in proportion and differences between the District's contributions and proportionate share of contributions	40,494	283,828
Contributions subsequent to the measurement date	<u>4,150,252</u>	<u>-</u>
Total	<u>\$ 14,263,043</u>	<u>\$ 7,570,126</u>

The School District recognized \$4,150,252 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2024, which will be recognized as a decrease to the net pension liability in the year ending June 30, 2026.

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

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

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ending June 30,	2025	\$ (3,128,056)
	2026	7,315,206
	2027	(1,261,591)
	2028	(1,413,762)
	2029	738,436
	Thereafter	292,432
		<u>\$ 2,542,665</u>

Actuarial Assumptions

The total pension liability at the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal										
Inflation	2.40%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table><tr><th><u>Service</u></th><th><u>Rate</u></th></tr><tr><td>5</td><td>5.18%</td></tr><tr><td>15</td><td>3.64%</td></tr><tr><td>25</td><td>2.50%</td></tr><tr><td>35</td><td>1.95%</td></tr></table>	<u>Service</u>	<u>Rate</u>	5	5.18%	15	3.64%	25	2.50%	35	1.95%
<u>Service</u>	<u>Rate</u>										
5	5.18%										
15	3.64%										
25	2.50%										
35	1.95%										
Projected COLAs	1.30% compounded annually										
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.										

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 were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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.

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of term</u>
Domestic Equity	33%	6.6%
International Equity	15%	7.4%
Global Equity	4%	6.9%
Real Estate Equity	11%	6.3%
Private Equity	9%	10.0%
Domestic Fixed Income	16%	2.6%
Global Bonds	2%	2.5%
High-Yield Bonds	1%	4.8%
Private Debt	2%	5.9%
Real Estate Debt	6%	3.9%
Cash Equivalents	1%	0.5%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension asset as of June 30, 2024 was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from School Districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

The following presents the net pension liability (asset) of the School District calculated using the discount rate of 6.95 percent, as well as what the School Districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	<u>1% Decrease (5.95%)</u>	<u>Current Discount (6.95%)</u>	<u>1% Increase (7.95%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ 27,775,518</u>	<u>\$ (6,013,243)</u>	<u>\$ (34,430,498)</u>

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability (asset) of the employers as of June 30, 2024, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 142,837,826,465
Net position	145,821,434,780
Net pension liability (asset)	<u>\$ (2,983,608,315)</u>
TRS net position as a percentage of total pension liability	102.09%

12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The School District administers a defined benefit OPEB plan and provides OPEB for all permanent full-time general and public safety employees of the School District. The plan is a single-employer defined benefit plan (the Plan). The Plan provides for Article 11 of the State Compiled Statutes which grants the authority to establish and amend the benefit terms and financial requirements to the School District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Funding Policy

The obligations of the Plan members, employers and other contributing entities are established by action of the School District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when the retirees health benefits are upon meeting the following requirements: 1) retire from the School District, 2) age 55 with 5 years of service and 3) enrollment in District provided health care at time of retirement. The School District currently funds the plan to satisfy current obligations on a pay-as-you-go basis.

The contribution requirements of the Plan members and the District are established by the Board of Education. Until changes are made in the NYS law to permit funding, there is no legal authority to fund Other Postemployment Benefit (OPEB), other than "pay as you go".

Benefits Provided

The School District provides for continuation of medical and prescription drug benefits for certain retirees and their survivors and can be amended by action of the School District subject to applicable collective bargaining and employment agreements. The specifics of each contract are on file at the School District offices and area available upon request.

Employees Covered by Benefit Terms

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

Actives	600
Retirees	558
Beneficiaries	-
Spouses of Retirees	<u>277</u>
Total participants	<u>1,435</u>

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The School District's total OPEB liability of \$199,144,515 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

Actuarial Assumptions and Other Inputs

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

Payroll growth	2.40 percent including inflation
Discount Rate	5.20 percent as of June 30, 2025
Healthcare Cost Trend Rates	6.6 percent from 2024 to 2025, decreasing gradually to an ultimate rate of 3.8 percent by 2073
Participation rate	Assumed that 100% of future retirees eligible for coverage will elect the benefit.
Cost method	Entry Age Normal

The discount rate was based on the Bond Buyer General Obligation 20-year municipal bond index.

Mortality rates were RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2021 Ultimate Scale.

Retirement participation rate assumed that 100% of future retirees eligible for coverage will elect the benefit and 60% of active employees are assumed to elect family coverage at retirement with male spouses assumed to be 3 years older than female spouses. For current retirees, actual census information was used. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

Changes in the Total OPEB Liability

Balance at July 1, 2024	\$253,204,147
Changes for the Year	
Service cost	7,326,797
Interest	10,070,957
Effect of plan changes	-
Effect of demographic gains or losses	(29,204,292)
Effect of assumptions changes or inputs	(33,624,959)
Benefit payments	(8,628,135)
Net changes	(54,059,632)
Balance at June 30, 2025	<u>\$199,144,515</u>

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.20%) or 1 percentage point higher (6.20%) than the current discount rate:

	1% Decrease (4.20%)	Current Discount (5.20%)	1% Increase (6.20%)
Total OPEB Liability	<u>\$225,822,024</u>	<u>\$199,144,515</u>	<u>\$177,048,044</u>

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

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 (5.60%) or 1 percentage point higher (7.60%) than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease (5.60%)	Current Discount (6.60%)	1% Increase (7.60%)
Total OPEB Liability	<u>\$173,642,571</u>	<u>\$199,144,515</u>	<u>\$230,745,719</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the School District recognized OPEB expense of \$2,729,726. 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
Differences between expected and actual experience	\$ 15,328,985	\$ 62,391,727
Changes of assumptions	<u>28,083,559</u>	<u>71,029,140</u>
Total	<u>\$ 43,412,544</u>	<u>\$133,420,867</u>

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2026	\$ (20,932,580)
2027	(20,932,580)
2028	(28,257,095)
2029	(11,219,967)
2030	(8,666,101)
Thereafter	<u>-</u>
	<u>\$ (90,008,323)</u>

13. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

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 overall supervision and management of the reciprocal.

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 minimum capital contribution.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million and an excess catastrophe liability policy with coverage up to \$10 million. The School District 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 Dutchess County participate in the Dutchess Education Health Insurance Consortium, a public entity risk pool operated by the benefit of individual governmental units located within the County. The School District pays an annual premium to the Plan for its coverage. The Plan is considered a self-sustaining risk pool that will provide coverage for its members and the School District has essentially transferred all related risk to the Plan.

13. RISK MANAGEMENT (Continued)

The School District participates in a claims-servicing public entity risk pool, Dutchess County Schools Cooperative Self-Insurance Plan for Workers' Compensation (Cooperative) to insure workers' compensation claims. The Cooperative was formed under NYS General Municipal Law on July 1, 1991. The Cooperative is governed by an agreement administered by a Board of Directors, consisting of one Director for each member. As of June 30, 2025, there were 13 members in the Cooperative. Workers' Compensation benefits are provided by the Cooperative and administered under a contract with Wright Risk Management, the third party claims administered for the Cooperative. The School District's share of the liability for unbilled open claims is \$1,755,619 at June 30, 2025.

The purpose of the Cooperative is to provide efficiency and economy through centralized administration and accounting for self-insured workers' compensation coverage to members. Revenues are predominately from premiums and members continue to be individually liable for the ultimate Workers' Compensation risk for employees and third parties. The Cooperative purchases an excess-loss insurance policy on an annual basis in order to limit its exposure for claims paid for workers' compensation and employer's liability within any one fiscal year. The excess loss insurance includes \$500,000 specific retention per occurrence with a maximum benefit of \$3,000,000.

14. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The County of Dutchess enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District did not have any significant abatements during June 30, 2025. The School District received Payments in Lieu of Taxes (PILOT) payments totaling \$746,631.

Owner/Property	Purpose	Assessment	Tax Rate	Tax Value	PILOT Received	Percent of Tax Abated
Parker/Hamilton Corporation	PILOT	\$ 1,450,000	18.430969	\$ 26,725	\$ 26,725	0%
Violet Estates	PILOT	11,000,000	18.430969	202,741	103,236	49.1%
Asahishuzo	PILOT	5,920,000	46.824843	277,203	243,919	12%
T-Rex Shaner Hotel	PILOT	10,475,000	46.824843	490,490	245,588	50%
T-Rex Shaner	PILOT	1,674,100	46.824843	78,389	72,104	8%
Underhill Solar LLC	Solar PILOT	237,900	18.430969	4,385	9,938	-126.6%
Salt Point Solar	Solar PILOT	1,000,000	46.824843	46,825	19,296	58.8%
54-Hyde LLC/ 225 Cream St.	Solar PILOT	1,969,953	46.824843	92,243	7,233	92.2%
Athanas Solar/ 1436 Route 9 G	Solar PILOT	75,520	46.824843	3,536	6,271	-77.3%
129 & 133 Cream St.	Solar PILOT	100,970	46.824843	4,728	12,321	-160.6%
Total Payment in Lieu of Taxes				<u>\$ 1,227,265</u>	<u>\$ 746,631</u>	39.2%

15. CONTINGENCIES AND COMMITMENTS

General Information

The School District federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantors agencies or expenditures disallowed under the terms of the grant.

The School District has various commitments with contractors for the completion of capital projects over the next several years.

Litigation

The School District has been named as defendant in various actions. A review of these actions by School District management indicated that they are either fully covered by insurance or not substantial enough to materially affect the financial position of the School District.

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

16 SUBSEQUENT EVENTS

The School District has evaluated subsequent events through October 3, 2025 and determined that there were no matters that would have a material effect on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

HYDE PARK CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 70,911,240	\$ 70,911,240	\$ 71,542,127	\$ -	\$ 630,887
Charges for services	358,000	358,000	300,088	-	(57,912)
Use of money and property	1,045,000	1,045,000	1,660,613	-	615,613
Sale of property and compensation for loss	-	-	52,420	-	52,420
Miscellaneous	<u>600,000</u>	<u>2,727,313</u>	<u>3,253,614</u>	<u>-</u>	<u>526,301</u>
Total local sources	72,914,240	75,041,553	76,808,862	-	1,767,309
State sources	44,651,576	44,651,576	44,366,684	-	(284,892)
Federal sources	367,000	367,000	372,360	-	5,360
Medicaid reimbursement	<u>215,000</u>	<u>215,000</u>	<u>144,090</u>	<u>-</u>	<u>(70,910)</u>
Total revenue	<u>\$ 118,147,816</u>	<u>\$ 120,275,129</u>	<u>\$ 121,691,996</u>	<u>\$ -</u>	<u>\$ 1,416,867</u>

(Continued)

See the independent auditor's report

HYDE PARK CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)

(Continued)

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 175,055	\$ 155,118	\$ 144,222	\$ -	\$ 10,896
Central administration	317,945	350,434	344,345	-	6,089
Finance	1,081,547	1,085,701	1,033,095	-	52,606
Staff	838,878	839,246	790,820	-	48,426
Central services	8,512,773	10,682,441	8,363,719	1,614,165	704,557
Special items	1,117,771	1,236,875	1,234,962	-	1,913
Total general support	12,043,969	14,349,815	11,911,163	1,614,165	824,487
INSTRUCTION:					
Instruction, administration, and improvement	4,906,366	5,433,398	4,755,878	544,468	133,052
Teaching - Regular school	25,822,962	25,906,150	25,553,969	19,552	332,629
Programs for children with handicapping conditions	17,699,571	17,680,895	16,663,472	-	1,017,423
Occupational education	3,023,364	3,046,612	3,041,926	1,033	3,653
Instructional media	3,368,068	3,708,037	3,536,389	1,224	170,424
Pupil services	5,469,740	5,651,232	5,377,061	40,966	233,205
Total instruction	60,290,071	61,426,324	58,928,695	607,243	1,890,386
Pupil transportation	7,463,579	7,505,993	6,897,982	-	608,011
Employee benefits	34,894,325	34,173,630	33,511,613	-	662,017
Debt service - Interest	-	-	2,365	-	(2,365)
Debt service - Principal	-	-	663,862	-	(663,862)
Total expenditures	114,691,944	117,455,762	111,915,680	2,221,408	3,318,674
OTHER FINANCING SOURCES (USES)					
Proceeds from the issuance of leases	-	-	656,054	-	656,054
Operating transfers (out)	(6,302,541)	(6,337,541)	(6,286,839)	-	50,702
Total other financing sources (uses)	(6,302,541)	(6,337,541)	(5,630,785)	-	706,756
Total expenditures and other financing sources (uses)	120,994,485	123,793,303	117,546,465	2,221,408	4,025,430
NET CHANGE IN FUND BALANCE	(2,846,669)	(3,518,174)	4,145,531	(2,221,408)	5,442,297
FUND BALANCE - beginning of year	35,091,485	35,091,485	35,091,485	-	-
FUND BALANCE - end of year	\$ 32,244,816	\$ 31,573,311	\$ 39,237,016	\$ (2,221,408)	\$ 5,442,297

See the independent auditor's report

HYDE PARK CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30,

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.032244%	0.036818%	0.032729%	0.032377%	0.032694%	0.034100%	0.033600%	0.032400%	0.033000%	0.345000%
Proportionate share of the net pension liability (asset)	\$5,528	\$5,421	\$7,018	(\$2,647)	\$33	\$9,029	\$2,831	\$1,048	\$3,105	\$5,537
Covered-employee payroll	\$12,980	\$12,304	\$12,425	\$10,834	\$11,228	\$10,802	\$10,372	\$10,006	\$9,737	\$9,358
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	42.59%	44.06%	56.48%	-24.43%	0.29%	83.59%	27.29%	10.47%	31.89%	59.17%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	98.24%	98.24%	94.70%	90.70%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.201543%	0.199255%	0.195102%	0.193806%	0.195153%	0.195200%	0.196600%	0.200800%	0.203400%	0.205800%
Proportionate share of the net pension liability (asset)	(\$6,013)	\$2,279	\$3,744	(\$33,585)	\$5,393	(\$5,070)	(\$3,556)	(\$1,526)	\$2,179	(\$21,381)
Covered-employee payroll	\$41,051	\$38,476	\$36,801	\$34,565	\$32,940	\$33,468	\$32,997	\$32,416	\$32,282	\$31,922
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-14.65%	5.92%	10.17%	-97.16%	16.37%	-15.15%	-10.78%	-4.71%	6.75%	-66.98%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.09%	99.17%	98.57%	113.25%	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%

HYDE PARK CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30,**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,011	\$ 1,756	\$ 1,515	\$ 1,190	\$ 1,711	\$ 1,505	\$ 1,478	\$ 1,480	\$ 1,459	\$ 1,661
Contributions in relation to the contractually required contribution	<u>2,011</u>	<u>1,756</u>	<u>1,515</u>	<u>1,190</u>	<u>1,711</u>	<u>1,505</u>	<u>1,478</u>	<u>1,480</u>	<u>1,459</u>	<u>1,661</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 12,980	\$ 12,304	\$ 12,425	\$ 10,834	\$ 11,228	\$ 10,802	\$ 10,372	\$ 10,006	\$ 9,737	\$ 9,358
Contributions as a percentage of covered-employee payroll	15.49%	14.27%	12.19%	10.98%	15.24%	13.93%	14.25%	14.79%	14.98%	17.75%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 4,150	\$ 3,755	\$ 3,787	\$ 3,387	\$ 3,139	\$ 3,460	\$ 3,139	\$ 3,729	\$ 4,162	\$ 5,420
Contributions in relation to the contractually required contribution	<u>4,150</u>	<u>3,755</u>	<u>3,787</u>	<u>3,387</u>	<u>3,139</u>	<u>3,460</u>	<u>3,139</u>	<u>3,729</u>	<u>4,162</u>	<u>5,420</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 41,051	\$ 38,476	\$ 36,801	\$ 34,565	\$ 32,940	\$ 33,468	\$ 32,997	\$ 32,416	\$ 32,282	\$ 31,922
Contributions as a percentage of covered-employee payroll	10.11%	9.76%	10.29%	9.80%	9.53%	10.34%	9.51%	11.50%	12.89%	16.98%

HYDE PARK CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED) FOR THE YEAR ENDED JUNE 30,

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability										
Service cost	\$ 7,327	\$ 8,311	\$ 8,541	\$ 17,665	\$ 11,747	\$ 10,726	\$ 9,107	\$ 8,792		
Interest	10,071	9,422	11,980	8,967	8,803	10,050	7,845	6,798		
Effect of plan changes	-	-	(2,691)	-	-	(35,133)	-	-		
Effect of demographic gains or losses	(29,204)	-	(80,692)	-	51,827	(3,957)	10,014	-		
Effect of assumptions changes or inputs	(33,625)	(10,071)	(8,715)	(85,478)	94,949	16,623	19,061	(29,828)		
Benefit payments	(8,628)	(8,503)	(8,431)	(9,104)	(8,685)	(7,755)	(6,415)	(4,545)		
Total change in total OPEB liability	(54,060)	(841)	(80,008)	(67,950)	158,641	(9,446)	39,612	(18,783)		
Total OPEB liability - beginning	<u>253,204</u>	<u>254,045</u>	<u>334,053</u>	<u>402,003</u>	<u>243,362</u>	<u>252,808</u>	<u>213,197</u>	<u>231,981</u>		
Total OPEB liability - ending	<u>\$ 199,144</u>	<u>\$ 253,204</u>	<u>\$ 254,045</u>	<u>\$ 334,053</u>	<u>\$ 402,003</u>	<u>\$ 243,362</u>	<u>\$ 252,809</u>	<u>\$ 213,198</u>		
Covered-employee payroll	\$ 45,021	\$ 40,828	\$ 40,828	\$ 40,105	\$ 40,105	\$ 42,409	\$ 33,054	\$ 38,914		
Total OPEB liability as a percentage of covered-employee payroll	442.3%	620.2%	622.2%	832.9%	1002.4%	573.8%	764.8%	547.9%		

Notes to schedule:

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

Discount rate	5.20%	3.93%	3.65%	3.54%	2.16%	3.51%	3.87%	3.58%
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Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

SUPPLEMENTARY INFORMATION

HYDE PARK CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2025

	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents - unrestricted	\$ -	\$ 50,016	\$ -	\$ -	\$ 50,016
Cash and cash equivalents - restricted	-	-	196,785	5,860,157	6,056,942
Accounts receivable	-	1,111	-	-	1,111
Due from other funds	-	1,078,235	35,010	666,861	1,780,106
State and federal aid receivable	3,008,990	221,604	-	-	3,230,594
Inventory	-	43,780	-	-	43,780
TOTAL ASSETS	\$ 3,008,990	\$ 1,394,746	\$ 231,795	\$ 6,527,018	\$ 11,162,549
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 496,432	\$ 86,063	\$ 774	\$ -	\$ 583,269
Due to other governments	-	19	-	-	19
Due to other funds	2,512,558	-	-	-	2,512,558
Unearned revenue	-	14,102	-	-	14,102
TOTAL LIABILITIES	3,008,990	100,184	774	-	3,109,948
Fund balance					
Nonspendable					
Inventory	-	43,780	-	-	43,780
Restricted					
Debt service	-	-	-	5,860,157	5,860,157
Other	-	-	196,785	-	196,785
Total restricted fund balance	-	-	196,785	5,860,157	6,056,942
Assigned					
Unappropriated	-	1,250,782	34,236	666,861	1,951,879
Total assigned fund balance	-	1,250,782	34,236	666,861	1,951,879
TOTAL FUND BALANCE	-	1,294,562	231,021	6,527,018	8,052,601
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,008,990	\$ 1,394,746	\$ 231,795	\$ 6,527,018	\$ 11,162,549

HYDE PARK CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDING JUNE 30, 2025

	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
REVENUE:					
Use of money and property	\$ -	\$ 4,898	\$ -	\$ 540,646	\$ 545,544
Miscellaneous	-	54,479	213,403	-	267,882
State sources	2,170,663	701,425	-	-	2,872,088
Federal sources	3,691,091	1,835,244	-	-	5,526,335
Sales - School lunch	-	81,650	-	-	81,650
Total revenue	<u>5,861,754</u>	<u>2,677,696</u>	<u>213,403</u>	<u>540,646</u>	<u>9,293,499</u>
EXPENDITURES:					
Instruction	5,967,328	-	-	-	5,967,328
Pupil transportation	248,689	-	-	-	248,689
Employee benefits	-	405,308	-	-	405,308
Debt service - Interest	-	-	-	1,732,577	1,732,577
Debt service - Principal	-	-	-	4,065,000	4,065,000
Cost of sales	-	2,089,908	-	-	2,089,908
Other	-	-	205,790	-	205,790
Total expenditures	<u>6,216,017</u>	<u>2,495,216</u>	<u>205,790</u>	<u>5,797,577</u>	<u>14,714,600</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(354,263)</u>	<u>182,480</u>	<u>7,613</u>	<u>(5,256,931)</u>	<u>(5,421,101)</u>
OTHER FINANCING SOURCES (USES)					
Premium on issuance of debt	-	-	-	161,327	161,327
Operating transfers in	<u>354,263</u>	<u>-</u>	<u>35,000</u>	<u>7,193,567</u>	<u>7,582,830</u>
Total other financing sources (uses)	<u>354,263</u>	<u>-</u>	<u>35,000</u>	<u>7,354,894</u>	<u>7,744,157</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>-</u>	<u>182,480</u>	<u>42,613</u>	<u>2,097,963</u>	<u>2,323,056</u>
FUND BALANCE - beginning of year	<u>-</u>	<u>1,112,082</u>	<u>188,408</u>	<u>4,429,055</u>	<u>5,729,545</u>
FUND BALANCE - end of year	<u>\$ -</u>	<u>\$ 1,294,562</u>	<u>\$ 231,021</u>	<u>\$ 6,527,018</u>	<u>\$ 8,052,601</u>

OTHER INFORMATION (UNAUDITED)

HYDE PARK CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 120,994,485
Add: Prior year's encumbrances	<u>552,910</u>
Original budget	121,547,395
Budget revision:	<u>2,245,908</u>
Final budget	<u>\$ 123,793,303</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-26 voter-approved expenditure budget	\$ 125,988,823	
Maximum allowed (4% of 2025-26 budget)		<u>\$ 5,039,553</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:	
Assigned fund balance	\$ 5,456,138
Unassigned fund balance	<u>3,385,869</u>
	<u>\$ 8,842,007</u>

Less:

Appropriated fund balance	\$ 3,234,730
Encumbrances included in assigned fund balance	<u>2,221,408</u>
Total adjustments	<u>\$ 5,456,138</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 3,385,869</u>
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Actual percentage	2.69%
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* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

HYDE PARK CENTRAL SCHOOL DISTRICT

**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

PROJECT TITLE	Revised <u>Appropriation</u>	<u>Expenditures</u>			Unexpended <u>Balance</u>	Proceeds of <u>Obligations</u>	<u>Methods of Financing</u>			Fund Balance <u>June 30, 2025</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>			<u>State Aid</u>	<u>Local Sources</u>	<u>Total</u>	
Buses 2019-2020	\$ 753,540	\$ 747,009	\$ 991	\$ 748,000	\$ 5,540	\$ 748,000	\$ -	\$ -	\$ 748,000	\$ -
Buses 2020-2021	519,344	517,358	-	517,358	1,986	394,853	-	124,491	519,344	1,986
Buses 2021-2022	501,173	486,943	-	486,943	14,230	362,000	-	-	362,000	(124,943)
Buses 2022-2023	601,434	542,761	-	542,761	58,673	287,234	-	-	287,234	(255,527)
Buses 2023-2024	1,301,057	801,543	-	801,543	499,514	185,000	-	-	185,000	(616,543)
Buses 2024-2025	883,793	-	884,526	884,526	(733)	108,793	-	-	108,793	(775,733)
Buses 2024-2025 (EV)	191,207	-	189,621	189,621	1,586	46,207	-	-	46,207	(143,414)
NPE Platform Lift	100,000	55,575	44,425	100,000	-	-	-	100,000	100,000	-
NPE Platform Lift	100,000	-	-	-	100,000	-	-	100,000	100,000	100,000
HMS Flooring Project	100,000	-	-	-	100,000	-	-	100,000	100,000	100,000
Smart Schools Bond Act	2,176,655	2,086,353	-	2,086,353	90,302	-	2,068,862	-	2,068,862	(17,491)
FDR Tech Project	1,015,512	1,015,542	-	1,015,542	(30)	-	-	1,015,513	1,015,513	(29)
BOCES Capital Project	-	-	1,395,000	1,395,000	(1,395,000)	1,395,000	-	-	1,395,000	-
Science Labs/HVAC (part of \$26.2M project)	26,224,708	26,134,131	-	26,134,131	90,577	21,348,020	-	4,876,688	26,224,708	90,577
District Wide Project (\$35.7M)	<u>35,717,292</u>	<u>9,594,057</u>	<u>8,917,770</u>	<u>18,511,827</u>	<u>17,205,465</u>	<u>2,280,000</u>	<u>-</u>	<u>3,286,113</u>	<u>5,566,113</u>	<u>(12,945,714)</u>
Total	<u>\$ 70,185,715</u>	<u>\$ 41,981,272</u>	<u>\$ 11,432,333</u>	<u>\$ 53,413,605</u>	<u>\$ 16,772,110</u>	<u>\$ 27,155,107</u>	<u>\$ 2,068,862</u>	<u>\$ 9,602,805</u>	<u>\$ 38,826,774</u>	<u>\$ (14,586,831)</u>

HYDE PARK CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED) JUNE 30, 2025

Capital assets, net		\$ 99,757,155
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Deduct:

Bond anticipation notes	27,121,177	
Unamortized bond premium	150,683	
Short-term portion of bonds payable	1,865,000	
Long-term portion of bonds payable	15,070,000	
Short-term portion of lease payable	2,852	
Long-term portion of lease payable	<u>1,173</u>	
		44,210,885

Add:

Unamortized amount on refunding bonds		87,096
Unspent bond proceeds		<u>13,745,292</u>

Net investment in capital assets		<u>\$ 69,378,658</u>
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REQUIRED REPORT UNDER GOVERNMENT AUDITING STANDARDS

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

October 3, 2025

To the Board of Education of
Hyde Park Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Hyde Park Central School District (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 3, 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 have not been identified.

(Continued)

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HYDE PARK CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ Yes ☒ No

Significant deficiencies identified?

☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No