

Chappaqua Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2026

Chappaqua Central School District, New York

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Chappaqua Central School District, New York ("School District") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Emphasis of Matter - Implementation of New Accounting Standard

As discussed in Note 2C to the financial statements, during the year ended June 30, 2026, the School District implemented Governmental Accounting Standards Board Statement No. 103, "*Financial Reporting Model Improvements*". The implementation of this standard resulted in changes to the presentation of certain financial statement information, including management's discussion and analysis, unusual or infrequent items and other applicable financial reporting model presentation requirements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2026 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 6, 2026

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Chappaqua Central School District, New York

Management's Discussion and Analysis June 30, 2026

The purpose of management's discussion and analysis ("MD&A") is to help Chappaqua Central School District, New York ("School District") residents and other readers understand what the financial statements and notes in this financial report say about the School District's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by management's knowledge of the School District's finances.

Overview of the Financial Statements

The School District's financial report contains basic financial statements. Those financial statements present the School District's finances at both an overall and a detailed level. The Statement of Net Position and Statement of Activities (e.g. the *district-wide financial statements*) cover the School District's governmental activities only.

- *Governmental activities* comprise the School District's most basic functions, such as instruction, pupil transportation, community services, cost of food sales, other and interest. Governmental activities primarily are financed by real property taxes and federal and state grants.

The remaining basic financial statements present the School District's finances in greater detail. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. Fund financial statements can be reported using up to three groups of funds as follows:

- *Governmental fund financial statements* report the School District's governmental activities on a current-financial-resources and modified-accrual basis. Accordingly, they focus on near-term inflows and outflows of spendable resources and on the fund balances available at year end. The governmental fund statements differ from the district-wide statements because they do not report capital assets and certain long-term liabilities. Reconciliations accompanying the governmental fund statements explain the differences between the fund-level information and the governmental activities reported in the district-wide financial statements.
- *Proprietary fund financial statements* report all of the business-type activities (enterprise funds) and the services provided to School District departments (internal service funds). The School District had no such activity to report in this fund category.
- *Fiduciary fund financial statements* are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs. The School District maintains only one type of fiduciary fund that is known as a Custodial Fund. The Custodial Fund reports resources, not in a trust, that are held by the School District for other parties outside of the School District's reporting entity and, in the case of the School District, account for real property taxes collected for the Chappaqua Public Library.

Chappaqua Central School District, New York

Management's Discussion and Analysis June 30, 2026

Contents of the Basic Financial Statements

The next section of this financial report contains *notes to financial statements*, which delve deeper into the School District's finances as reported in the financial statements. The information in the notes is as important to understanding the School District's finances as the information in the financial statements. The School District uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of Information in the Financial Statements

The district-wide financial statements use the *economic resources measurement focus* and *accrual basis of accounting*. (See table below) Accordingly, these statements generally report the following types of financial statement elements:

- *Assets* - resources the School District controls, from short-term assets like cash to long-term assets like capital assets.
- *Liabilities* - amounts the School District owes, from short-term liabilities such as accounts payable to long-term liabilities such as outstanding debt, compensated absences, pension and postemployment benefit liabilities.
- *Deferred outflows/inflows of resources* - flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- *Revenues and expenses* - inflows and outflows of economic resources, respectively, related to the current year.

The governmental fund financial statements use the *current financial resources measurement focus* and *modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. (See table below)

The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on construction or acquisition of capital assets.

Chappaqua Central School District, New York

Management's Discussion and Analysis
June 30, 2026

Types of Information Reported in the Financial Statements

	Financial Statements	
	District - Wide	Governmental Fund
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short-term and long-term	Only current financial resources, such as cash, taxes receivable, and accounts payable
Types of revenues/additions	All types of revenues/additions that flow into the entity during the year that relate to that year, regardless of when cash is received	Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/deductions/expenditures	All types of expenses/deductions that flow out of the entity during the year that relate to that year, regardless of when cash is paid	Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the entity during the year that relate to a future year	Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

More detail about the measurement focus and basis of accounting can be found in the summary of significant accounting policies in the notes to financial statements.

Chappaqua Central School District, New York

Management's Discussion and Analysis June 30, 2026

Financial Summary

Statement of Net Position

	June 30,		Total % Change
	2026	2025	2026-2025
ASSETS			
Current and Other Assets	\$ 34,567,652	\$ 65,949,624	(47.6%)
Net Pension Asset-Proportionate Share	17,183,878	8,894,879	93.2%
Capital Assets, net	167,566,009	164,501,859	1.9%
Total Assets	219,317,539	239,346,362	(8.4%)
DEFERRED OUTFLOWS OF RESOURCES	32,194,046	28,356,020	13.5%
LIABILITIES			
Current Liabilities	10,907,731	35,387,536	(69.2%)
Long-term Liabilities	347,198,788	341,518,077	1.7%
Total Liabilities	358,106,519	376,905,613	(5.0%)
DEFERRED INFLOWS OF RESOURCES	36,631,142	38,282,246	(4.3%)
NET POSITION			
Net Investment in Capital Assets	94,131,572	93,879,944	0.3%
Restricted	27,795,343	19,498,099 *	42.6%
Unrestricted	(265,152,991)	(260,863,520) *	1.6%
Total Net Position	\$ (143,226,076)	\$ (147,485,477)	(2.9%)

*Restated components of net position to conform with the current year's presentation with respect to reporting the net pension asset – TRS restriction at June 30, 2025.

The table above shows that as of June 30, 2026, the School District's total net position for governmental activities (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) was negative \$143.2 million, an increase of \$4.3 million, or 2.9%, compared with 2025.

Governmental Activities

Current and other assets decreased by \$31,381,972, primarily due to the repayment of \$23.5 million in bond anticipation notes and expenditures for ongoing capital projects. Capital assets increased by \$3,064,150, primarily due to ongoing capital project activity, which is discussed further in the Significant Capital Asset and Long-Term Financing Activity section in this MD&A.

Current liabilities decreased by \$24,479,805, primarily due to the repayment of \$23,500,000 in bond anticipation notes during the current fiscal year.

Chappaqua Central School District, New York

Management's Discussion and Analysis June 30, 2026

Deferred outflows of resources increased by \$3,838,026, primarily due to changes in actuarial assumptions used to measure the School District's other postemployment benefit (OPEB) liability, partially offset by changes in pension-related deferred outflows. Deferred inflows of resources decreased by \$1,651,104, primarily due to recognition of previously deferred OPEB-related amounts in current-year expense, partially offset by changes in pension-related deferred inflows.

Long-term liabilities increased by \$5,680,711 from the previous year. The increase was primarily attributable to the increase in the OPEB liability of \$15,949,828, partially offset by decreases in compensated absences of \$2,857,236 and the ERS net pension liability of \$2,651,674 in the current year. The balance of the change in long-term liabilities relates to the School District's long-term financing activity, including any issuance or retirement of general obligation bonds and other debt, and is discussed further in the Significant Capital Asset and Long-Term Financing Activity section in this MD&A.

Total net position increased by \$4,259,401. This was comprised of an increase in net investment in capital assets of \$251,628 and restricted net position of \$8,297,244, partially offset by a decrease in unrestricted net position of \$4,289,471.

A large component of the School District's net position (\$94,131,572) reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The School District uses these capital assets to provide services to the students, and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position (\$27,795,343) reflects amounts restricted for specific purposes, i.e., capital projects, future capital projects, tax certiorari, tax reduction, property loss, insurance, liability claims, repairs, ERS retirement contributions, net pension asset – TRS, debt service, and special purposes. There is a negative balance of unrestricted net position of \$265,152,991, primarily due to the recognition of the pension and postemployment benefit liabilities.

Chappaqua Central School District, New York

Management's Discussion and Analysis June 30, 2026

Changes in Net Position

	June 30,		Total % Change 2026-2025
	2026	2025	
REVENUES			
Program Revenues:			
Charges for Services	\$ 1,908,856	\$ 2,510,667	(24.0%)
Operating Grants and Contributions	7,143,431	6,294,245	13.5%
Capital Grants and Contributions	150,453	106,916	40.7%
Total Program Revenues	9,202,740	8,911,828	3.3%
General Revenues:			
Real Property Taxes and Other Tax Items	124,550,099	121,738,984	2.3%
Use of Money and Property	1,640,223	2,191,222	(25.1%)
Unrestricted State Aid	11,332,322	9,714,135	16.7%
Other	2,377,530	2,516,719	(5.5%)
Total General Revenues	139,900,174	136,161,060	2.7%
Total Revenues	149,102,914	145,072,888	2.8%
EXPENSES			
General support	20,388,078	21,238,329	(4.0%)
Instruction	110,730,865	122,485,948	(9.6%)
Pupil transportation	8,293,855	7,648,120	8.4%
Community services	24,883	23,970	3.8%
Cost of food sales	2,552,069	2,134,862	19.5%
Other	520,178	382,865	35.9%
Interest	2,333,585	2,086,680	11.8%
Total Expenses	144,843,513	156,000,774	(7.2%)
Change in Net Position	4,259,401	(10,927,886)	(139.0%)
Net position - Beginning	(147,485,477)	(136,557,591) **	8.0%
Net position - Ending	\$ (143,226,076)	\$ (147,485,477)	(2.9%)

** Net position at July 1, 2024 restated for the cumulative effect of change in accounting principle for the School District's adoption of the provisions of GASB Statement No. 101, "Compensated Absences".

The table above shows that revenues exceeded expenses in the current year, resulting in an increase in net position. The total net position of the School District's governmental activities was negative \$143.2 million, an increase of \$4.3 million, or 2.9%, from 2025. The following detailed analyses explain the significant changes in the School District's financial position and results of operations from the prior year and the primary factors that affected those changes.

Chappaqua Central School District, New York

Management's Discussion and Analysis June 30, 2026

Detailed Analyses

Governmental Activities

Revenues:

The School District's total program revenues saw an increase of \$290,912 while general revenues increased by \$3,739,114, for a total increase of \$4,030,026. The primary drivers of these changes were:

- Charges for services decreased by \$601,811. The decrease was primarily attributable to reduced individual meal charges following the implementation of universal free school lunch for all students.
- Operating grants and contributions increased by \$849,186. The increase was primarily attributable to additional funding supporting universal free school lunch for all students.
- Real property taxes and other tax items (primarily the School Tax Relief Reimbursement ("STAR")) program increased by \$2,811,115. The School District levies real property taxes in order to meet the anticipated program needs of its students and the related costs associated with those programs. The School District increased the levy by 2.31%, which was within the maximum allowable limit based on the state prescribed tax levy limit calculation.
- Unrestricted State Aid increased by \$1,618,187. The increase was primarily attributable to higher BOCES aid and an increase in Foundation Aid.

Expenses:

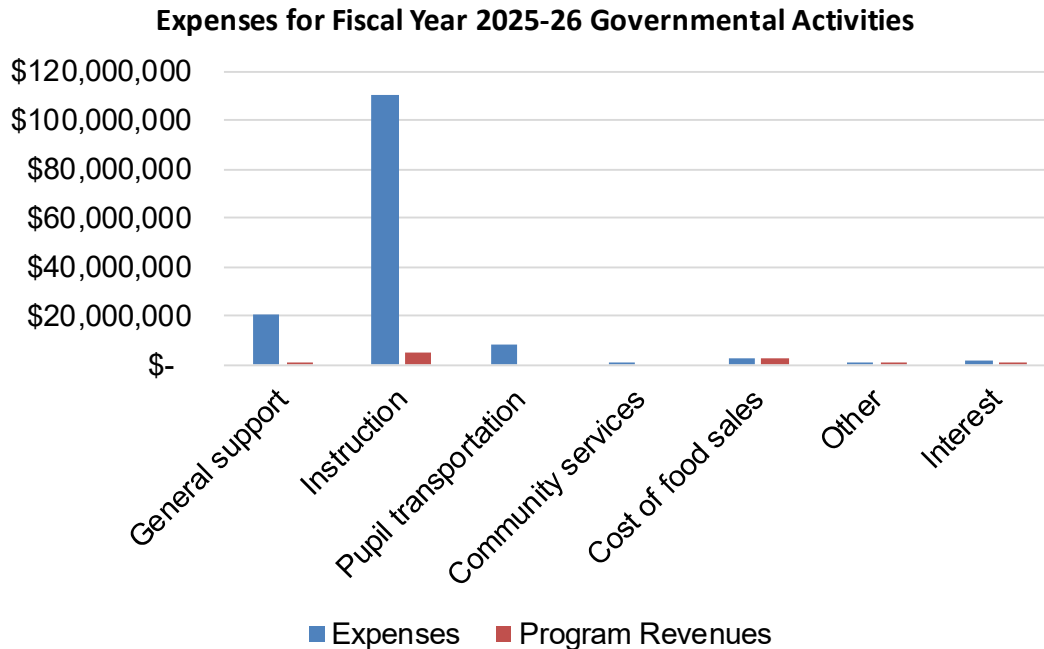
The School District's expenses decreased by \$11,157,261. Major factors contributing to the decrease included:

- General support expenses decreased by \$850,251. The decrease reflected changes in pension, other postemployment benefit (OPEB), and compensated absences expenses recognized through full accrual based accounting adjustments reflected in the district-wide statements. It is also due to lower expenses for judgments and claims and property tax refunds.
- Instruction expenses decreased by \$11,755,083. The decrease was primarily attributable to lower pension and OPEB expenses and a reduction in compensated absences expense recognized through full accrual based accounting adjustments reflected in the district-wide statements. These adjustments more than offset increases in instructional expenses.
- Cost of food sales expenses increased by \$417,207. The increase was primarily attributable to higher student meal participation following the implementation of universal free lunch.
- Pupil transportation costs increased by \$645,735. The increase was primarily attributable to higher transportation costs, increased extracurricular bussing, and increased McKinney-Vento transportation requirements.

Chappaqua Central School District, New York

Management's Discussion and Analysis
June 30, 2026

Governmental Activities - Expenses and Program Revenues



Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School District reports three major funds individually in the governmental fund financial statements, the General Fund, Special Aid Fund and Capital Projects Fund.

General Fund - The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5.7 million, while total fund balance decreased to \$20.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures and other financing uses. Unassigned fund balance represents 3.93% of total 2025-26 general fund expenditures and other financing uses, while total fund balance represents 14.3% of that same amount.

Of the General Fund's \$20.7 million total fund balance, \$11.7 million is restricted and \$3.3 million is assigned; therefore, those amounts are not available for general operating purposes. Restricted fund balance includes amounts for tax certiorari (\$1.5 million), employee benefit accrued liability (\$2.8 million), ERS retirement contributions (\$3.5 million), and debt service (\$3.3 million, including \$350,000 for subsequent year's expenditures). Assigned fund balance includes \$2.3 million appropriated to balance the 2026-27 adopted budget and \$1.0 million for outstanding purchase orders. The remaining \$5.7 million is unassigned and available for general purposes, subject to applicable statutory limitations.

Chappaqua Central School District, New York

Management's Discussion and Analysis June 30, 2026

The fund balance of the School District's General Fund decreased by \$814,446 during the current fiscal year. Significant factors affecting the change in fund balance included the following:

- Transfer of \$1,078,264 from the appropriation of fund balance restricted for future capital projects to the Capital Projects Fund, as approved by voters in the May, 2026 vote.
- The increase in the real property taxes and other tax items was noted in the earlier discussion. The increase was mitigated by the use of \$2,500,000 appropriated fund balance.
- Expenditures related to instruction increased by \$3,114,058. The increase was primarily attributable to higher instructional staff salary costs and benefits related obligations.
- Interest expenditures increased by \$1,379,151. The increase primarily reflected interest on bond anticipation notes and bonds issued to finance an approved capital project.

Special Aid Fund - Due to grant accounting requirements for activities in this fund, revenues and other financing sources are either accrued/deferred to match each grant expenditure, thus resulting annually in no change in fund balance being reported. Revenues and expenditures in the Special Aid Fund decreased by approximately \$0.2 million from the prior year. This change from the prior year was primarily attributable to a decrease in federal aid. Significant revenues and expenditures during the current year related to instruction expenditures of \$1,949,193.

Capital Projects Fund - Fund balance in the Capital Projects Fund was \$2.8 million at year end, representing a decrease of \$6.8 million from the prior year. The change was primarily attributable to the near completion of the voter approved \$33.9 million district-wide improvements and alterations project in which the funding was received in a prior year. The School District also committed new funds in the amount of approximately \$1.4 million in the current year to finance various other projects. Additional information regarding capital asset and long-term financing activity is included in the Significant Capital Asset and Long-Term Financing Activity section of this MD&A.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets - The School District's investment in capital assets for its governmental activities as of June 30, 2026, amounts to \$167.6 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction-in-progress, land improvements, buildings and improvements, machinery and equipment, and right-to-use leased equipment. The total increase in capital assets for the current fiscal year was \$3.1 million.

Chappaqua Central School District, New York

Management's Discussion and Analysis June 30, 2026

Capital Assets (net of depreciation/amortization)

	June 30,	
	2026	2025
Land	\$ 2,177,700	\$ 2,177,700
Construction in Progress	18,217,960	19,096,574
Land Improvements	7,513,467	7,513,467
Buildings and Improvements	222,893,730	213,687,539
Machinery and Equipment	13,468,073	13,165,549
Right-to-use Leased Equipment	2,541,108	1,841,316
Total	266,812,038	257,482,145
Less: Accumulated Depreciation/Amortization	(99,246,029)	(92,980,286)
Net Capital Assets	<u>\$ 167,566,009</u>	<u>\$ 164,501,859</u>

Significant capital asset activity during the current fiscal year included the following:

- Construction-in-progress additions totaled \$8,327,577.
- Buildings and improvements additions totaled \$9,206,191.
- Right-to-use leased equipment additions totaled \$699,792.
- Machinery and equipment additions totaled \$302,524.

Leases are intangible right-to-use assets. The School District does not own these assets but rather has the right to use them in operations, as specified in the related contracts. When entering a lease contract, a liability is also recognized, which is included as part of the long-term financings discussion below.

Additional information on the School District's capital assets can be found in Note 3B of this report.

Long-term Financing - At the end of the current fiscal year, the School District had outstanding principal of long-term financing arrangements of \$72.5 million, composed of general obligation bonds, energy performance contracts, and lease liabilities. During the current year, the outstanding principal of long-term financing arrangements decreased by \$4.2 million.

Long-Term Financings

	June 30,	
	2026	2025
General Obligation Bonds	\$ 68,020,000	\$ 71,400,000
Energy Performance Contracts	2,853,032	3,975,467
Lease Liabilities	1,622,095	1,336,417
Total	<u>\$ 72,495,127</u>	<u>\$ 76,711,884</u>

Chappaqua Central School District, New York

Management's Discussion and Analysis June 30, 2026

The \$68.0 million general obligation bonds are bonded debt, backed by the full faith and credit of the School District. During the current year, the School District issued no new general obligation bonds during the current year and retired \$3,380,000. The School District also retired \$1,122,435 of its remaining energy performance contract debt obligation.

As discussed in the changes in capital assets above, the School District entered into new leases for capital equipment totaling \$699,792 and retired \$414,114 of this debt. The remaining lease liabilities will be repaid over the terms of the agreements expiring between 2028-2030.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the most recent full valuation of taxable property within the jurisdiction. The current debt limitation for the School District is \$736,509,918 which is significantly more than the School District's outstanding general obligation debt.

Additional information on the School District's long-term debt can be found in Note 3E of this report.

Currently Known Facts, Decisions or Conditions

The School District is aware of the following items that will impact future finances and were considered in developing the following fiscal year's budget:

- **Collective bargaining agreement:** The teachers' collective bargaining agreement covers the period July 1, 2025, through June 30, 2030. Salary increases and other financial provisions of the agreement have been incorporated into the School District's 2026–27 budget and will affect personnel costs over the agreement's term.
- **Healthcare costs:** The 2026–27 budget includes a projected 7% increase in employee healthcare premiums.
- **Enrollment:** The School District has experienced increased enrollment at the elementary level. This increase is expected to affect future staffing, classroom space, and instructional resource needs. The School District is also planning additional Pre-Kindergarten classes, which will affect related staffing and program expenditures.
- **Liability insurance:** Liability insurance premiums for 2026–27 have increased by approximately 17%. The School District has incorporated the increase into its budget and is evaluating options to manage insurance costs while maintaining appropriate coverage.

The School District has appropriated \$2.3 million of its fund balance in the General Fund to finance expenditures in the 2026–27 budget. This amount is reported as assigned fund balance at June 30, 2026. The appropriation of the fund balance supports instructional programs while maintaining the real property tax levy increase at the maximum amount permitted under the School District's calculated tax levy limit. To the extent used, this appropriation will reduce General Fund balance during 2026–27.

Chappaqua Central School District, New York

Management's Discussion and Analysis
June 30, 2026

Requests for Information

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

Chappaqua Central School District
Attn: Joshua Culwell-Block
Assistant Superintendent for Business
PO Box 21
Chappaqua, New York 10514

Chappaqua Central School District, New York

Statement of Net Position
June 30, 2026

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 1,887,280
Investments	28,522,215
Receivables	
Accounts	152,567
State and Federal aid	4,003,653
Inventories	1,937
Net pension asset - TRS	17,183,878
Capital assets	
Not being depreciated	20,395,660
Being depreciated/amortized, net	147,170,349
Total Assets	219,317,539
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	520,255
Pension related	24,925,185
OPEB related	6,748,606
Total Deferred Outflows of Resources	32,194,046
LIABILITIES	
Accounts payable	567,506
Accrued liabilities	1,321,777
Employee payroll deductions	11,503
Due to retirement systems	7,063,748
Due to other governments	167,900
Unearned revenues	990,445
Accrued interest payable	784,852
Non-current liabilities	
Due within one year	17,316,587
Due in more than one year	329,882,201
Total Liabilities	358,106,519
DEFERRED INFLOWS OF RESOURCES	
Pension related	16,551,926
OPEB related	20,079,216
Total Deferred Inflows of Resources	36,631,142
NET POSITION	
Net investment in capital assets	94,131,572
Restricted	
Capital projects	1,371,446
Future capital projects	7,886
Tax certiorari	1,509,282
Tax reduction	5,551
Property loss	70,066
Insurance	249,675
Liability claims	259,535
Repairs	6,727
ERS retirement contributions	3,482,857
Net pension asset - TRS	17,183,878
Debt service	3,314,855
Special purpose	
Extraclassroom activities	126,993
Other	206,592
Unrestricted	(265,152,991)
Total Net Position	\$ (143,226,076)

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

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Chappaqua Central School District, New York

Statement of Activities
Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 20,388,078	\$ 125,477	\$ 302,868	\$ -	\$ (19,959,733)
Instruction	110,730,865	675,927	4,648,535	-	(105,406,403)
Pupil transportation	8,293,855	-	-	-	(8,293,855)
Community services	24,883	-	-	-	(24,883)
Cost of food sales	2,552,069	1,107,452	1,678,982	-	234,365
Other	520,178	-	513,046	-	(7,132)
Interest	2,333,585	-	-	150,453	(2,183,132)
Total Governmental Activities	\$ 144,843,513	\$ 1,908,856	\$ 7,143,431	\$ 150,453	(135,640,773)
General revenues					
Real property taxes					123,125,200
Other tax items					
School tax relief reimbursement					1,424,899
Non-property taxes					
Non-property tax distribution from County					1,898,638
Unrestricted use of money and property					1,640,223
Sale of property and compensation for loss					17,233
Unrestricted State aid					11,332,322
Miscellaneous					461,659
Total General Revenues					139,900,174
Change in Net Position					4,259,401
Net Position - Beginning					(147,485,477)
Net Position - Ending					\$ (143,226,076)

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

Chappaqua Central School District, New York

Balance Sheet
Governmental Funds
June 30, 2026

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 1,236,783	\$ 976	\$ 299,175
Investments	26,099,161	-	1,950,330
Receivables			
Accounts	84,267	68,300	-
State and Federal aid	2,444,055	1,306,858	-
Due from other funds	1,613,079	-	1,075,882
Inventories	-	-	-
Total Assets	<u>\$ 31,477,345</u>	<u>\$ 1,376,134</u>	<u>\$ 3,325,387</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 311,408	\$ 2,479	\$ 250,562
Accrued liabilities	1,321,777	-	-
Employee payroll deductions	11,503	-	-
Due to other funds	1,075,882	1,372,119	238,054
Due to retirement systems	7,063,748	-	-
Due to other governments	167,900	-	-
Unearned revenues	863,014	1,536	-
Total Liabilities	<u>10,815,232</u>	<u>1,376,134</u>	<u>488,616</u>
Fund balances			
Nonspendable	-	-	-
Restricted	11,695,109	-	2,836,771
Assigned	3,277,737	-	-
Unassigned	5,689,267	-	-
Total Fund Balances	<u>20,662,113</u>	<u>-</u>	<u>2,836,771</u>
Total Liabilities and Fund Balances	<u>\$ 31,477,345</u>	<u>\$ 1,376,134</u>	<u>\$ 3,325,387</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 350,346	\$ 1,887,280
472,724	28,522,215
-	152,567
252,740	4,003,653
-	2,688,961
1,937	1,937
<u>\$ 1,077,747</u>	<u>\$ 37,256,613</u>

\$ 3,057	\$ 567,506
-	1,321,777
-	11,503
2,906	2,688,961
-	7,063,748
-	167,900
125,895	990,445
<u>131,858</u>	<u>12,811,840</u>

1,937	1,937
333,585	14,865,465
610,367	3,888,104
-	5,689,267
<u>945,889</u>	<u>24,444,773</u>

<u>\$ 1,077,747</u>	<u>\$ 37,256,613</u>
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Chappaqua Central School District, New York

Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2026

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

Total Fund Balances - Governmental Funds	\$ 24,444,773
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	20,395,660
Capital assets - depreciable/amortizable	246,416,378
Accumulated depreciation/amortization	(99,246,029)
	<u>167,566,009</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	24,925,185
Deferred outflows - OPEB related	6,748,606
Deferred inflows - pension related	(16,551,926)
Deferred inflows - OPEB related	(20,079,216)
	<u>(4,957,351)</u>
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - TRS	<u>17,183,878</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(784,852)
General obligation bonds payable	(68,020,000)
Energy performance contract debt payable	(2,853,032)
Leases payable	(1,622,095)
Compensated absences	(20,140,817)
Net pension liability - ERS	(1,227,267)
Total OPEB liability	(250,410,687)
	<u>(345,058,750)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Deferred amount on refunding	520,255
Premium on general obligation bonds	(2,924,890)
	<u>(2,404,635)</u>
Net Position of Governmental Activities	<u>\$ (143,226,076)</u>

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

Chappaqua Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2026

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 123,125,200	\$ -	\$ -
Other tax items	1,424,899	-	-
Non-property taxes	1,898,638	-	-
Charges for services	675,927	-	-
Use of money and property	2,219,021	-	-
Sale of property and compensation for loss	17,233	-	-
State aid	14,135,985	752,589	-
Federal aid	28,320	902,572	-
Food sales	-	-	-
Miscellaneous	469,280	153,770	-
Total Revenues	143,994,503	1,808,931	-
EXPENDITURES			
Current			
General support	17,089,469	-	-
Instruction	78,286,828	1,949,193	-
Pupil transportation	8,293,855	-	-
Community services	24,883	-	-
Employee benefits	31,312,162	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	4,916,549	-	-
Interest	3,201,112	-	-
Capital outlay	-	-	9,027,369
Total Expenditures	143,124,858	1,949,193	9,027,369
Excess (Deficiency) of Revenues Over Expenditures	869,645	(140,262)	(9,027,369)
OTHER FINANCING SOURCES (USES)			
Leases issued	-	-	699,792
Transfers in	-	140,262	1,543,829
Transfers out	(1,684,091)	-	-
Total Other Financing Sources (Uses)	(1,684,091)	140,262	2,243,621
Net Change in Fund Balances	(814,446)	-	(6,783,748)
FUND BALANCES			
Beginning of Year	21,476,559	-	9,620,519
End of Year	\$ 20,662,113	\$ -	\$ 2,836,771

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 123,125,200
-	1,424,899
-	1,898,638
-	675,927
5,636	2,224,657
-	17,233
1,294,111	16,182,685
379,235	1,310,127
1,107,452	1,107,452
513,046	1,136,096
3,299,480	149,102,914
-	17,089,469
-	80,236,021
-	8,293,855
-	24,883
-	31,312,162
2,552,069	2,552,069
520,178	520,178
-	4,916,549
-	3,201,112
-	9,027,369
3,072,247	157,173,667
227,233	(8,070,753)
-	699,792
-	1,684,091
-	(1,684,091)
-	699,792
227,233	(7,370,961)
718,656	31,815,734
\$ 945,889	\$ 24,444,773

Chappaqua Central School District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2026

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (7,370,961)</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	9,329,893
Depreciation/amortization expense	<u>(6,265,743)</u>
	<u>3,064,150</u>
Bond and other debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Leases issued	(699,792)
Principal paid on general obligation bonds	3,380,000
Principal paid on energy performance contract debt	1,122,435
Principal paid on leases	<u>414,114</u>
	<u>4,216,757</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	468,794
Changes in pension liabilities and related deferred outflows and inflows of resources	6,606,327
Compensated absences	2,857,236
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(5,981,635)
Amortization of loss on refunding bonds and issuance premium	<u>398,733</u>
	<u>4,349,455</u>
Change in Net Position of Governmental Activities	<u><u>\$ 4,259,401</u></u>

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

Chappaqua Central School District, New York

Fiduciary Fund
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2026

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 3,708,998
DEDUCTIONS	
Payments of real property taxes to other governments	<u>3,708,998</u>
Change in Fiduciary Net Position	<u><u>\$ -</u></u>

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

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Note 1 - Summary of Significant Accounting Policies

The Chappaqua Central School District, New York ("School District"), as presently constituted, was established in 1905 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

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

A. Financial Reporting Entity

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

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

The School District participates in the Putnam-Northern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating district's governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by the ratio which the component school district's value of taxable properties in effect at the time of adoption bears to the total full value of taxable properties of all component school districts within BOCES as defined by Education Law. Copies of BOCES' financial statement can be requested from Putnam-Northern Westchester BOCES, 200 BOCES Drive, Yorktown Heights, New York 10598.

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds. The major revenues of this fund are State and Federal aid.

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

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

Special Revenue Funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the lunch program of the School District.

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District participates in the New York Cooperative Liquid Assets Securities System ("NYCLASS"), a cooperative investment pool organized under a municipal cooperation agreement pursuant to Articles 3-A and 5-G of General Municipal Law of the State of New York. NYCLASS is administered by a governing board elected by its participants. The governing board has retained PTMA Investment Advisors as its investment adviser. PTMA Investment Advisors is registered with the Securities and Exchange Commission ("SEC") and is subject to applicable federal securities laws and SEC oversight in its capacity as investment adviser. The SEC registration and oversight apply to the investment adviser and do not constitute SEC registration, approval, or direct regulation of NYCLASS.

NYCLASS is authorized to invest in obligations issued or guaranteed by the United States and certain of its agencies, obligations of the State of New York and repurchase agreements, in accordance with its investment policies. These investments are reported at fair value. NYCLASS issues separate audited financial statements for its fiscal year ending June 30th.

At June 30, 2026, the School District's investment in NYCLASS was \$28,522,215 which equaled the value of its pool shares. NYCLASS's investment policy limits the maximum remaining maturity of any individual investment to 397 days and the maximum weighted-average maturity of the portfolio to 60 days.

NYCLASS is rated AAAM by S&P Global Ratings. An AAAM principal stability fund rating indicates S&P Global Ratings' opinion that the pool has an extremely strong capacity to maintain principal stability and limit exposure to principal losses due to credit risk. The rating is not a guarantee of performance or principal and is subject to change. An investment in NYCLASS is not insured or guaranteed by the FDIC or any other governmental agency.

Additional information, including NYCLASS's annual report and audited financial statements, is available at www.newyorkclass.org.

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2026.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable in September and January. The Towns of New Castle, New York and Mount Pleasant, New York which are included in the levy are responsible for the billing and collection of the taxes. The towns guarantee the full payment of the School District warrant and assume responsibility for uncollected taxes.

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

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2026, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Capital Assets - Capital assets are tangible and intangible assets, which include property, plant and equipment and are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets (except intangible right-to-use assets, which are discussed in Note 3B) are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

<u>Class</u>	<u>Life in Years</u>
Land Improvements	20-50
Buildings and Improvements	20-50
Machinery and Equipment	5-20
Right-to-use Leased Equipment	5

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$863,014 in the General Fund for fees received in advance and retiree health contributions, \$125,895 in the School Lunch Fund for meal cards purchased in advance and \$1,536 in the Special Aid fund for grants received in advance. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

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

The School District has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3E.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Leases - The School District is a lessee for noncancellable leases of equipment. The School District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the district-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise. The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use leased assets are reported with other capital assets and right-to-use lease liabilities are reported with long-term liabilities on the Statement of Net Position.

Compensated Absences - The liability for compensated absences represents the sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the School District's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary related payments are directly and incrementally associated

Note 1 - Summary of Significant Accounting Policies (Continued)

with payments for the leave. The School District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the district-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, "*Compensated Absences*".

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

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

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or the Assistant Superintendent for Business for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the

Note 1 - Summary of Significant Accounting Policies (Continued)

order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Use of Estimates

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

G. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 6, 2026.

Note 2 - Stewardship, Compliance and Accountability

A. Limitation on Fund Balance

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

B. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

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

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. New Accounting Pronouncement

The School District has implemented GASB Statement No. 103, “*Financial Reporting Model Improvements*”, for the fiscal year ended June 30, 2026. This Statement improves key components of the financial reporting model to enhance the effectiveness of information provided for decision-making and assessing a government’s accountability. As a result of implementing this Statement, the School District revised the presentation of certain financial statement information, including updates to the Management’s Discussion and Analysis, budgetary presentations and other reporting elements, to conform with the new requirements.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2026 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,613,079	\$ 1,075,882
Special Aid	-	1,372,119
Capital Projects	1,075,882	238,054
Non-Major Governmental	-	2,906
	<u>\$ 2,688,961</u>	<u>\$ 2,688,961</u>

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

B. Capital Assets

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

<u>Class</u>	<u>Balance July 1, 2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2026</u>
Capital Assets, not being depreciated:				
Land	\$ 2,177,700	\$ -	\$ -	\$ 2,177,700
Construction-in-progress	19,096,574	8,327,577	9,206,191	18,217,960
Total Capital Assets, not being depreciated	<u>\$ 21,274,274</u>	<u>\$ 8,327,577</u>	<u>\$ 9,206,191</u>	<u>\$ 20,395,660</u>
Capital Assets, being depreciated/amortized:				
Land Improvements	\$ 7,513,467	\$ -	\$ -	\$ 7,513,467
Buildings and Improvements	213,687,539	9,206,191	-	222,893,730
Machinery and Equipment	13,165,549	302,524	-	13,468,073
Right-to-use Leased Equipment	1,841,316	699,792	-	2,541,108
Total Capital Assets, being depreciated/amortized	<u>236,207,871</u>	<u>10,208,507</u>	<u>-</u>	<u>246,416,378</u>

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Less Accumulated Depreciation/Amortization for:				
Land Improvements	\$ 3,573,952	\$ 171,083	\$ -	\$ 3,745,035
Buildings and Improvements	81,002,955	4,897,199	-	85,900,154
Machinery and Equipment	7,821,039	688,292	-	8,509,331
Right-to-use Leased Equipment	582,340	509,169	-	1,091,509
Total Accumulated Depreciation/Amortization	92,980,286	6,265,743	-	99,246,029
Total Capital Assets, being depreciated/amortized, net	\$ 143,227,585	\$ 3,942,764	\$ -	\$ 147,170,349
Capital Assets, net	\$ 164,501,859	\$ 12,270,341	\$ 9,206,191	\$ 167,566,009

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

General Support	\$ 601,834
Instruction	<u>5,663,909</u>
Total Depreciation/Amortization Expense	<u>\$ 6,265,743</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2026 were as follows:

	General Fund
Other	\$ 740,916
Payroll and employee benefits	<u>580,861</u>
	<u>\$ 1,321,777</u>

D. Short-Term Capital Borrowings

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

Purpose	Year of Original Issue	Interest Rate	Maturity Date	Balance July 1, 2025	New Issues	Maturities and/or Payments	Balance June 30, 2026
District-Wide Improvements and Alterations	2024	4.30 %	July, 2025	<u>\$ 23,500,000</u>	<u>\$ -</u>	<u>\$ 23,500,000</u>	<u>\$ -</u>

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

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

Interest expenditures of \$998,750 were recorded in the fund financial statements in the General Fund. Interest expense of \$115,914 was recorded in the district-wide financial statements.

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2026:

	Balance July 1, 2025	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2026	Due Within One-Year
General Obligation Bonds Payable	\$ 71,400,000	\$ -	\$ 3,380,000	\$ 68,020,000	\$ 5,305,000
Plus - Unamortized premium on bonds	3,468,340	-	543,450	2,924,890	-
	74,868,340	-	3,923,450	70,944,890	5,305,000
Energy Performance Contract Debt Payable	3,975,467	-	1,122,435	2,853,032	1,149,097
Leases Payable	1,336,417	699,792	414,114	1,622,095	589,208
Other Non-current Liabilities:					
Compensated Absences	22,998,053	-	2,857,236 *	20,140,817	2,014,000
Net Pension Liability - ERS	3,878,941	-	2,651,674	1,227,267	-
Other Postemployment Benefit Liability	234,460,859	23,784,737	7,834,909	250,410,687	8,259,282
Total Other Non- current Liabilities	261,337,853	23,784,737	13,343,819	271,778,771	10,273,282
Total Long-Term Liabilities	\$ 341,518,077	\$ 24,484,529	\$ 18,803,818	\$ 347,198,788	\$ 17,316,587

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

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

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2026 are comprised of the following issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2026
District-wide Improvements	2018	\$ 26,500,000	June, 2039	3.0 %	\$ 16,965,000
District-wide Improvements	2018	16,000,000	June, 2038	2.250-3.0	10,570,000
School District Refunding	2019	19,295,000	January, 2030	4.0-5.0	6,645,000
District-wide Improvements	2025	33,840,000	July, 2040	4.0	33,840,000
					<u>\$ 68,020,000</u>

Interest expenditures of \$2,104,319 were recorded in the fund financial statements in the General Fund. Interest expense of \$2,120,715 was recorded in the district-wide financial statements.

Energy Performance Contract Debt Payable

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

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

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

The aggregate balance due at June 30, 2026 was \$2,853,032. Interest expenditures of \$82,485 were recorded in the fund financial statements in the General Fund. Interest expense of \$81,398 was recorded in the district-wide financial statements.

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

Leases Payable

Leases payable at June 30, 2026 are comprised of the following individual agreements:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at June 30, 2026</u>
Equipment	2024	\$ 944,069	2029	2.656 %	\$ 487,546
Computer Equipment	2025	897,247	2028	3.067	448,419
Computer Equipment	2026	699,792	2030	2.654	686,130
					<u>\$ 1,622,095</u>

Interest expenditures/expense of \$15,558 were recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded, energy performance contract debt and leases as of June 30, 2026 including interest payments of \$17,338,707 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		<u>Energy Performance Contract Debt</u>		<u>Lease Payable</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2027	\$ 5,305,000	\$ 2,393,794	\$ 1,149,097	\$ 55,824	\$ 589,208	\$ 25,851	\$ 7,043,305	\$ 2,475,469
2028	5,510,000	2,189,919	704,380	28,511	589,078	25,982	6,803,458	2,244,412
2029	5,705,000	1,994,231	242,736	18,126	269,705	9,901	6,217,441	2,022,258
2030	5,910,000	1,790,981	247,443	13,418	174,104	4,621	6,331,547	1,809,020
2031	4,230,000	1,581,825	252,242	8,620	-	-	4,482,242	1,590,445
2032-2036	22,945,000	5,608,675	257,134	3,728	-	-	23,202,134	5,612,403
2037-2041	18,415,000	1,584,700	-	-	-	-	18,415,000	1,584,700
	<u>\$ 68,020,000</u>	<u>\$ 17,144,125</u>	<u>\$ 2,853,032</u>	<u>\$ 128,227</u>	<u>\$ 1,622,095</u>	<u>\$ 66,355</u>	<u>\$ 72,495,127</u>	<u>\$ 17,338,707</u>

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

Legal Debt Margin

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

Compensated Absences

Pursuant to collective bargaining agreements, upon separation of service, the School District is required to compensate administrators, clerical staff and custodians for unused vacation time. For all other employees, vacation time is generally taken in the year earned. The School District is not required to compensate employees for accumulated sick leave. The value of the compensated absences has been reflected in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

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

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

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

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the ERS plan year ended March 31, 2026 and TRS plan year ended June 30, 2026 are as follows:

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75I	23.3%
	3 A14	19.6
	4 A15	19.6
	5 A15	16.6
	6 A15	12.8
TRS	1-6	9.59%

At June 30, 2026, the School District reported the following for its proportionate share of the net pension liability (asset) for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2026	June 30, 2025
Net pension liability (asset)	\$ 1,227,267	\$ (17,183,878)
School District's proportion of the net pension liability	0.0217533 %	0.290216 %
Change in proportion since the prior measurement date	(0.0008700) %	(0.007909) %

The net pension liability (asset) was measured as of March 31, 2026 for ERS and June 30, 2025 for TRS and the total pension liability used to calculate the net pension liability (asset) were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2026, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$751,308 (\$1,536,911 for ERS and \$(785,603) for TRS). Pension expenditures of \$7,357,635 (\$1,679,789 for ERS and \$5,677,846 for TRS) were charged to the General Fund.

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2026, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 702,314	\$ -	\$ 9,008,183	\$ -
Changes of assumptions	210,667	-	6,802,562	185,270
Net difference between projected and actual earnings on pension plan investments	-	2,200,556	-	13,420,566
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,103,692	682,654	841,350	62,880
School District contributions subsequent to the measurement date	445,396	-	5,811,021	-
	<u>\$ 2,462,069</u>	<u>\$ 2,883,210</u>	<u>\$ 22,463,116</u>	<u>\$ 13,668,716</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 9,710,497	\$ -		
Changes of assumptions	7,013,229	185,270		
Net difference between projected and actual earnings on pension plan investments	-	15,621,122		
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,945,042	745,534		
School District contributions subsequent to the measurement date	6,256,417	-		
	<u>\$ 24,925,185</u>	<u>\$ 16,551,926</u>		

\$445,396 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2027. The \$5,811,021 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2026	\$ -	\$ 8,905,572
2027	627,656	(3,461,040)
2028	(694,592)	(3,681,829)
2029	(381,495)	(671,608)
2030	(418,106)	1,555,836
Thereafter	-	336,448
	<u>\$ (866,537)</u>	<u>\$ 2,983,379</u>

Note 3 - Detailed Notes on All Funds (Continued)

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

	ERS	TRS
Measurement Date	March 31, 2026	June 30, 2025
Actuarial valuation date	April 1, 2025	June 30, 2024
Investment rate of return	5.9% *	6.95% *
Salary scale	5.2%	2.04%-5.80%
Inflation rate	2.9%	2.5%
Cost of living adjustments	1.5%	1.4%

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

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

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2020 - March 31, 2025. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2024.

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

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

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

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

Asset Type	ERS March 31, 2026		TRS June 30, 2025	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25 %	3.29 %	33 %	6.7 %
International Equity	14	5.85	15	7.4
Private Equity	15	7.00	9	9.8
Real Estate	12	5.20	11	6.5
Domestic Fixed Income Securities	-	-	16	2.6
Global Fixed Income Securities	-	-	2	2.4
High Yield Fixed Income Securities	-	-	1	4.7
Global Equities	-	-	4	7.0
Private Debt	-	-	2	6.1
Real Estate Debt	-	-	6	3.8
Opportunistic/Absolute Return Strategy	3	5.13	-	-
Credit	4	5.10	-	-
Real Assets	4	5.54	-	-
Fixed Income	22	1.75	-	-
Cash	1	0.25	1	0.6
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and TRS.

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

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

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 8,381,894</u>	<u>\$ 1,227,267</u>	<u>\$ (4,754,318)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 33,019,039</u>	<u>\$ (17,183,878)</u>	<u>\$ (59,427,020)</u>

The components of the collective net pension liability (asset) as of the March 31, 2026 ERS measurement date and the June 30, 2025 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 253,773,040,000	\$ 148,272,068,018
Fiduciary net position	<u>248,131,290,000</u>	<u>154,193,125,241</u>
Employers' net pension liability (asset)	<u>\$ 5,641,750,000</u>	<u>\$ (5,921,057,223)</u>
Fiduciary net position as a percentage of total pension liability	<u>97.78%</u>	<u>103.99%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2026 represent the projected employer contribution for the period April 1, 2026 through June 30, 2026 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2026 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2026 represent employee and employer contributions for the fiscal year ended June 30, 2026 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2026 were \$445,396 to ERS and \$6,618,352 to TRS, (including employee contributions of \$807,331).

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Note 3 - Detailed Notes on All Funds (Continued)

Other Postemployment Benefit Liability (“OPEB”)

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

At June 30, 2026, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	396
Active employees	<u>627</u>
	<u><u>1,023</u></u>

The School District’s total OPEB liability of \$250,410,687 was measured as of June 30, 2026, and was determined by an actuarial valuation as of July 1, 2024.

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

Salary increases	3.0%, average, including inflation
Discount rate	4.26%
Healthcare cost trend rates	7.0% for 2026, decreasing 0.25% per year to an ultimate rate of 4.0% for 2038 and later years
Retirees' share of benefit-related costs	Varies from 15% to 23%, depending on applicable retirement year and bargaining unit

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

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

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

The School District's change in the total OPEB liability for the year ended June 30, 2026 is as follows:

Total OPEB Liability - Beginning of Year	\$ 234,460,859
Service cost	6,090,214
Interest	9,821,149
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	7,873,374
Benefit payments	<u>(7,834,909)</u>
Total OPEB Liability - End of Year	<u><u>\$ 250,410,687</u></u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.26%) or 1 percentage point higher (5.26%) than the current discount rate:

	1% Decrease (3.26%)	Current Discount Rate (4.26%)	1% Increase (5.26%)
Total OPEB Liability	<u>\$ 293,034,503</u>	<u>\$ 250,410,687</u>	<u>\$ 216,547,802</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.0%) or 1 percentage point higher (8.0% decreasing to 5.0%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.0%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.0%)	1% Increase (8.0% decreasing to 5.0%)
Total OPEB Liability	<u>\$ 211,318,615</u>	<u>\$ 250,410,687</u>	<u>\$ 300,971,805</u>

For the year ended June 30, 2026, the School District recognized OPEB expense of \$13,816,544 in the district-wide financial statements. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	<u>\$ 6,748,606</u>	<u>\$ 20,079,216</u>

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

Year Ended June 30,	
2027	\$ (5,393,094)
2028	(5,393,092)
2029	(2,837,124)
2030	(596,396)
2031	(235,670)
Thereafter	<u>1,124,766</u>
	<u>\$ (13,330,610)</u>

F. Revenues and Expenditures

Interfund Transfers

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

	Transfer In		
	Special Aid Fund	Capital Projects Fund	Total
<u>Transfers Out</u>			
General Fund	<u>\$ 140,262</u>	<u>\$ 1,543,829</u>	<u>\$ 1,684,091</u>

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

G. Net Position

The components of net position are detailed below:

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

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

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

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

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

Restricted for Net Pension Asset - TRS - the component of net position that reports the amount of the TRS net pension asset in accordance with the provisions of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position".

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

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

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

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable - Inventories	\$ -	\$ -	\$ 1,937	\$ 1,937
Restricted:				
Tax certiorari	1,509,282	-	-	1,509,282
Tax reduction	5,551	-	-	5,551
Property loss	70,066	-	-	70,066
Insurance	249,675	-	-	249,675
Liability claims	259,535	-	-	259,535
Employee benefit accrued liability	2,788,675	-	-	2,788,675
Repairs	6,727	-	-	6,727
ERS retirement contributions	3,482,857	-	-	3,482,857
Debt service	2,964,855	-	-	2,964,855
Debt service - for subsequent year's expenditures	350,000	-	-	350,000
Capital projects	-	2,836,771	-	2,836,771
Future capital projects	7,886	-	-	7,886
Special purposes - extraclassroom activities	-	-	126,993	126,993
Special purposes - other	-	-	206,592	206,592
Total Restricted	11,695,109	2,836,771	333,585	14,865,465
Assigned:				
Purchases on order:				
General government support	578,969	-	-	578,969
Instruction	397,778	-	-	397,778
Pupil transportation	990	-	-	990
	977,737	-	-	977,737
For subsequent year's expenditures -				
General Fund	2,300,000	-	-	2,300,000
School Lunch Fund	-	-	610,367	610,367
	2,300,000	-	610,367	2,910,367
Total Assigned	3,277,737	-	610,367	3,888,104
Unassigned	5,689,267	-	-	5,689,267
Total Fund Balances	\$ 20,662,113	\$ 2,836,771	\$ 945,889	\$ 24,444,773

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

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

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6-p of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Note 3 - Detailed Notes on All Funds (Continued)

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

Subsequent year's expenditures represent that at June 30, 2026, the Board of Education has assigned the above amounts to be appropriated for the ensuing year's budget.

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

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

The School District is also a defendant in actions in which, on occasion, parents seek reimbursement for tuition paid by them to private schools where they have unilaterally placed (enrolled) their children. If the parents were successful in these claims, they could receive reimbursement for both tuition and attorneys' fees. The School District rigorously contests any liability for these claims, as it feels: a) it had provided an appropriate placement for the children at issue; and b) the parents' unilateral placement are not consistent with the Individuals with Educational Disabilities Act. As mentioned above, the School District is contending that any and all cases should be dismissed but has potential liability of approximately \$900,000 on three of these matters. However, it is not possible to express an opinion on the outcome of these matters.

B. Contingencies

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

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

The School District and other school districts have formed a reciprocal insurance company, called the New York State Insurance Reciprocal ("NYSIR") to be owned by these districts. NYSIR operates under an agreement effective July 1, 1989. The purpose of NYSIR 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. NYSIR retains a management company, which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. NYSIR is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of NYSIR and can be assessed their proportionate share by the State Insurance Department if the funds of NYSIR are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The School District purchases various insurance coverages from NYSIR to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million. The School District maintains liability coverage for school board members up to \$1 million. The School District also maintains an umbrella policy with coverage up to \$25 million. In addition, the School District has established a restricted fund balance for property loss in the General Fund to be used to cover the deductible provisions of the School District's insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Westchester-Putnam Schools Cooperative Self-Insurance Plan for Workers' Compensation. The purpose of the Plan is to provide efficient and economical evaluation, processing, administration, defense and payment of claims against plan members for workers' compensation and to provide for risk management to reduce future liability for workers' compensation and employers' liability payments. The Plan is managed and governed by a Board of Trustees comprised of a representative from each district. Billings are based upon participants' experience rating. The School District has transferred all related risk to the Plan.

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

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 105, "*Subsequent Events*", has been issued to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

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

* * * * *

Chappaqua Central School District, New York

Required Supplementary Information
 Budgetary Comparison Schedule - General Fund
 Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget - over (under) Final Budget	Actual Amounts	Encumbr- ances	Variance with Final Budget - over (under) Actual and Encumbrances
	Original	Final				
REVENUES						
Real property taxes	\$ 123,125,200	\$ 123,125,200	\$ -	\$ 123,125,200	\$ -	\$ -
Other tax items	1,424,899	1,424,899	-	1,424,899	-	-
Non-property taxes	1,925,261	1,925,261	-	1,898,638	-	(26,623)
Charges for services	784,211	784,211	-	675,927	-	(108,284)
Use of money and property	920,000	920,000	-	2,219,021	-	1,299,021
Sale of property and compensation for loss	135,000	135,000	-	17,233	-	(117,767)
State aid	13,080,204	13,080,204	-	14,135,985	-	1,055,781
Federal aid	-	-	-	28,320	-	28,320
Miscellaneous	497,250	497,250	-	469,280	-	(27,970)
Total Revenues	141,892,025	141,892,025	-	143,994,503	-	2,102,478
EXPENDITURES						
Current						
General support						
Board of education	66,686	70,186	3,500	61,124	-	(9,062)
Central administration	486,131	516,503	30,372	507,421	-	(9,082)
Finance	1,278,721	1,358,668	79,947	1,332,709	5,785	(20,174)
Staff	1,378,734	1,369,284	(9,450)	1,300,028	8,520	(60,736)
Central services	12,383,452	12,713,501	330,049	12,048,554	564,664	(100,283)
Special items	2,097,367	1,845,341	(252,026)	1,839,633	-	(5,708)
Total General Support	17,691,091	17,873,483	182,392	17,089,469	578,969	(205,045)
Instruction						
Instruction, administration and improvement	6,140,983	5,987,710	(153,273)	5,910,300	25,529	(51,881)
Teaching - Regular school	43,594,847	44,205,165	610,318	43,890,562	155,297	(159,306)
Programs for students with disabilities	14,378,978	14,403,172	24,194	14,316,063	-	(87,109)
Teaching - Special schools	312,250	322,762	10,512	315,261	-	(7,501)
Instructional media	5,144,845	6,035,843	890,998	5,766,952	166,953	(101,938)
Pupil services	8,089,613	8,243,204	153,591	8,087,690	49,999	(105,515)
Total Instruction	77,661,516	79,197,856	1,536,340	78,286,828	397,778	(513,250)
Pupil transportation	8,198,502	8,331,083	132,581	8,293,855	990	(36,238)
Community services	24,871	24,884	13	24,883	-	(1)
Employee benefits	32,803,460	31,360,062	(1,443,398)	31,312,162	-	(47,900)
Debt service						
Principal	5,392,436	4,916,550	(475,886)	4,916,549	-	(1)
Interest	3,133,154	3,201,112	67,958	3,201,112	-	-
Total Expenditures	144,905,030	144,905,030	-	143,124,858	977,737	(802,435)
Excess (Deficiency) of Revenues Over Expenditures	(3,013,005)	(3,013,005)	-	869,645	(977,737)	2,904,913
OTHER FINANCING USES						
Transfers out	(472,437)	(1,695,701)	(1,223,264)	(1,684,091)	-	11,610
Net Change in Fund Balance	(3,485,442)	(4,708,706)	(1,223,264)	(814,446)	<u>\$ (977,737)</u>	<u>\$ 2,916,523</u>
FUND BALANCE						
Beginning of Year	3,485,442	4,708,706	1,223,264	21,476,559		
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,662,113</u>		

See independent auditors' report.

1. Budgetary Basis and Control

The District annually adopts a legally authorized budget for the General Fund. The budget is approved by District voters in accordance with New York State Education Law and is prepared on a basis consistent with generally accepted accounting principles. If the proposed budget is not approved by the voters, the Board of Education may adopt a contingency budget or resubmit the original or a revised budget for voter approval. If a resubmitted budget is not approved, the Board is required to adopt a contingency budget in accordance with New York State Education Law.

The Board of Education establishes legal budgetary control at the function level. Transfers between functions and other budget amendments requiring modification at the legal level of control require Board approval.

Annual budgets are not adopted for the Special Aid, School Lunch or Special Purpose Funds because their activities are controlled through grant agreements, debt requirements or other legal or contractual restrictions. The Capital Projects Fund is budgeted on a project basis rather than through an annual budget.

General Fund appropriations lapse at year-end except for outstanding encumbrances, which are carried forward and included in the subsequent year's budget.

Encumbrance accounting is used in the General Fund to record purchase orders, contracts and other commitments against applicable appropriations. Outstanding encumbrances at year-end do not constitute expenditures or liabilities and are generally reported as assigned fund balance. For purposes of evaluating compliance with the legally adopted budget, outstanding encumbrances are considered together with actual expenditures.

Chappaqua Central School District, New York

Required Supplementary Information
Notes to Budgetary Comparison Schedule (Concluded)
For the Year Ended June 30, 2026

2. General Fund Budgetary Highlights

Differences – Original Budget to Final Budget

		Variance with Original Budget - over (under) Final Budget	
EXPENDITURES			
Instruction:			
Teaching - Regular school	\$	610,318	The District utilized more BOCES services in the current year to take advantage of increased reimbursement revenue
Instructional Media		890,998	Primarily attributable to the Technology Department transitioning its technology support contract to BOCES.
Employee benefits		(1,443,398)	TRS contribution rates were lower-than-budgeted. The District had salary savings from employees who took unpaid leaves of absence and lower Social Security costs as certain employees reached the annual FICA wage base. In addition, health insurance expenditures were lower than anticipated due to premium increases that were less than projected and increased employee opt-outs from the District's health insurance plan.
Transfers out		(1,223,264)	\$1.08 million reflects the transfer of funds from the Future Capital Projects Restriction to be used for capital projects, in accordance with the capital project proposition approved by voters. The remaining \$145,000 was an authorized transfer from the Debt Service Reserve to be used for the payment of the principal portion due on the District's outstanding \$23.5 million bond anticipation note.

Differences – Final Budget to Actual Amounts and Encumbrances

		Variance with Final Budget - over (under) Actual Amounts and Encumbrances	
REVENUES			
Use of money and property	\$	1,299,021	Interest rates remained considerably higher than projected during budget development, generating additional revenue.
State aid		1,055,781	There was an increase in BOCES services in the current year, therefore the District received more aid.

Chappaqua Central School District, New York

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

	2026	2025	2024	2023
Total OPEB Liability:				
Service cost	\$ 6,090,214	\$ 5,553,283	\$ 5,956,195	\$ 6,130,071
Interest	9,821,149	10,364,726	9,285,531	9,139,904
Difference between expected and actual experience	-	-	-	-
Changes of benefit terms	-	-	-	-
Changes of assumptions or other inputs	7,873,374	(9,523,048)	(2,525,115)	(15,685,094)
Benefit payments	(7,834,909)	(7,614,338)	(7,025,503)	(6,705,790)
Net Change in Total OPEB Liability	15,949,828	(1,219,377)	5,691,108	(7,120,909)
Total OPEB Liability – Beginning of Year	234,460,859	235,680,236	229,989,128	237,110,037
Total OPEB Liability – End of Year	<u>\$ 250,410,687</u>	<u>\$ 234,460,859</u>	<u>\$ 235,680,236</u>	<u>\$ 229,989,128</u>
School District's covered - employee payroll	<u>\$ 67,588,172</u>	<u>\$ 67,588,172</u>	<u>\$ 67,042,792</u>	<u>\$ 65,795,406</u>
Total OPEB liability as a percentage of covered - employee payroll	<u>370%</u>	<u>347%</u>	<u>352%</u>	<u>350%</u>
Discount Rate	<u>4.26%</u>	<u>4.47%</u>	<u>4.10%</u>	<u>3.91%</u>

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

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

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

See independent auditors' report.

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

Chappaqua Central School District, New York

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

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

	2026 (3)	2025 (3)	2024 (3)	2023 (2)
School District's proportion of the net pension liability (asset)	<u>0.290216%</u>	<u>0.298125%</u>	<u>0.297899%</u>	<u>0.309997%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (17,183,878)</u>	<u>\$ (8,894,879)</u>	<u>\$ 3,406,725</u>	<u>\$ 5,948,507</u>
School District's covered payroll	<u>\$ 58,223,635</u>	<u>\$ 57,972,956</u>	<u>\$ 56,163,355</u>	<u>\$ 56,409,316</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>(29.51%)</u>	<u>(15.34%)</u>	<u>6.07%</u>	<u>10.55%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>103.99%</u>	<u>102.09%</u>	<u>99.17%</u>	<u>98.57%</u>
Discount Rate	<u>6.95%</u>	<u>6.95%</u>	<u>6.95%</u>	<u>6.95%</u>

Schedule of Contributions

	2026	2025	2024	2023
Contractually required contribution	\$ 5,811,021	\$ 5,886,410	\$ 5,658,160	\$ 5,779,212
Contributions in relation to the contractually required contribution	<u>(5,811,021)</u>	<u>(5,886,410)</u>	<u>(5,658,160)</u>	<u>(5,779,212)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 60,594,589</u>	<u>\$ 58,223,635</u>	<u>\$ 57,972,956</u>	<u>\$ 56,163,355</u>
Contributions as a percentage of covered payroll	<u>9.59%</u>	<u>10.11%</u>	<u>9.76%</u>	<u>10.29%</u>

(1) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

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

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

See independent auditors' report.

2022 (3)	2021 (2)	2020 (3)	2019 (3)	2018 (3)	2017
<u>0.316052%</u>	<u>0.310522%</u>	<u>0.314661%</u>	<u>0.310676%</u>	<u>0.316707%</u>	<u>0.323428%</u>
<u>\$ (54,768,846)</u>	<u>\$ 8,580,557</u>	<u>\$ (8,174,903)</u>	<u>\$ (5,617,846)</u>	<u>\$ (2,407,289)</u>	<u>\$ 3,464,044</u>
<u>\$ 54,805,856</u>	<u>\$ 53,503,555</u>	<u>\$ 53,775,744</u>	<u>\$ 51,600,127</u>	<u>\$ 53,093,788</u>	<u>\$ 50,729,623</u>
<u>(99.93%)</u>	<u>16.04%</u>	<u>(15.20%)</u>	<u>(10.89%)</u>	<u>(4.53%)</u>	<u>6.83%</u>
<u>113.20%</u>	<u>97.80%</u>	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>
<u>6.95%</u>	<u>7.10%</u>	<u>7.10%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.25%</u>

2022	2021	2020	2019	2018	2017
<u>\$ 5,528,113</u>	<u>\$ 5,222,998</u>	<u>\$ 4,740,415</u>	<u>\$ 5,710,984</u>	<u>\$ 5,056,812</u>	<u>\$ 6,222,592</u>
<u>(5,528,113)</u>	<u>(5,222,998)</u>	<u>(4,740,415)</u>	<u>(5,710,984)</u>	<u>(5,056,812)</u>	<u>(6,222,592)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 56,409,316</u>	<u>\$ 54,805,856</u>	<u>\$ 53,503,555</u>	<u>\$ 53,775,744</u>	<u>\$ 51,600,127</u>	<u>\$ 53,093,788</u>
<u>9.80%</u>	<u>9.53%</u>	<u>8.86%</u>	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>

Chappaqua Central School District, New York

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

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

	2026 (3)	2025 (3)	2024 (3)	2023 (2)
School District's proportion of the net pension liability (asset)	0.0217533%	0.0226233%	0.0267504%	0.0258484%
School District's proportionate share of the net pension liability (asset)	\$ 1,227,267	\$ 3,878,941	\$ 3,938,736	\$ 5,542,949
School District's covered payroll	\$ 10,212,129	\$ 11,345,387	\$ 10,153,002	\$ 10,676,211
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	12.02%	34.19%	38.79%	51.92%
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2026	2025	2024	2023
Contractually required contribution	\$ 1,642,042	\$ 1,548,672	\$ 1,373,863	\$ 1,051,231
Contributions in relation to the contractually required contribution	(1,642,042)	(1,548,672)	(1,373,863)	(1,051,231)
Contribution excess	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 10,004,646	\$ 9,801,233	\$ 10,136,577	\$ 10,324,482
Contributions as a percentage of covered payroll	16.41%	15.80%	13.55%	10.18%

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

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

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

See independent auditors' report.

2022 (3)	2021 (3)	2020(2)	2019 (2)	2018 (3)	2017
0.0271286%	0.0260603%	0.0259729%	0.0268587%	0.0272551%	0.0325663%
\$ (2,217,650)	\$ 26,365	\$ 6,877,759	\$ 1,902,936	\$ 879,674	\$ 2,561,529
\$ 8,072,539	\$ 9,702,961	\$ 9,910,368	\$ 9,599,579	\$ 9,454,210	\$ 10,351,599
(27.47%)	0.27%	69.40%	19.82%	9.30%	24.75%
103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
5.90%	5.90%	6.80%	7.00%	7.00%	7.00%
2022	2021	2020	2019	2018	2017
\$ 1,619,629	\$ 1,468,264	\$ 1,395,962	\$ 1,420,933	\$ 1,692,938	\$ 1,625,564
(1,619,629)	(1,468,264)	(1,395,962)	(1,420,933)	(1,692,938)	(1,625,564)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 8,425,206	\$ 10,010,921	\$ 9,784,798	\$ 9,687,278	\$ 9,482,190	\$ 9,438,329
19.22%	14.67%	14.27%	14.67%	17.85%	17.22%

Chappaqua Central School District, New York

General Fund
Schedule of Revenues Compared to Budget
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Variance with Final Budget - Over (Under) Actual
REAL PROPERTY TAXES	\$ 123,125,200	\$ 123,125,200	\$ 123,125,200	\$ -
OTHER TAX ITEMS				
School tax relief reimbursement	1,424,899	1,424,899	1,424,899	-
NON-PROPERTY TAXES				
Non-property tax distribution from County	1,925,261	1,925,261	1,898,638	(26,623)
CHARGES FOR SERVICES				
Continuing education tuition	354,600	354,600	325,305	(29,295)
Cultural arts	275,000	275,000	235,963	(39,037)
Other student fees and charges	154,611	154,611	114,659	(39,952)
	784,211	784,211	675,927	(108,284)
USE OF MONEY AND PROPERTY				
Earnings on investments	825,000	825,000	2,093,544	1,268,544
Rental of real property	95,000	95,000	125,477	30,477
	920,000	920,000	2,219,021	1,299,021
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of equipment	135,000	135,000	17,233	(117,767)
STATE AID				
Basic formula	10,900,782	10,900,782	8,418,281	(2,482,501)
BOCES	1,866,300	1,866,300	2,914,041	1,047,741
Lottery	-	-	2,523,548	2,523,548
Textbooks	212,496	212,496	157,517	(54,979)
Computer software aid	78,457	78,457	78,103	(354)
Library aid	22,169	22,169	22,068	(101)
Homeless aid	-	-	22,427	22,427
	13,080,204	13,080,204	14,135,985	1,055,781
FEDERAL AID				
Medical assistance	-	-	28,320	28,320
MISCELLANEOUS				
Refund of prior year's expenditures	200,000	200,000	215,006	15,006
Refund of BOCES aided services	190,000	190,000	228,055	38,055
Gifts and donations	-	-	7,621	7,621
Other	107,250	107,250	18,598	(88,652)
	497,250	497,250	469,280	(27,970)
TOTAL REVENUES	<u>\$ 141,892,025</u>	<u>\$ 141,892,025</u>	<u>\$ 143,994,503</u>	<u>\$ 2,102,478</u>

See independent auditors' report.

Chappaqua Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget - Over (Under) Actual and Encumbrances
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 21,347	\$ 24,847	\$ 19,098	\$ -	\$ (5,749)
District clerk	23,739	23,739	22,738	-	(1,001)
District meeting	21,600	21,600	19,288	-	(2,312)
Total Board of Education	66,686	70,186	61,124	-	(9,062)
CENTRAL ADMINISTRATION					
Chief school administrator	486,131	516,503	507,421	-	(9,082)
FINANCE					
Business administration	1,173,009	1,247,319	1,221,360	5,785	(20,174)
Accounting and auditing	105,712	111,349	111,349	-	-
Total Finance	1,278,721	1,358,668	1,332,709	5,785	(20,174)
STAFF					
Legal	454,382	442,250	401,466	-	(40,784)
Personnel	803,117	819,060	793,115	8,520	(17,425)
Public information and services	121,235	107,974	105,447	-	(2,527)
Total Staff	1,378,734	1,369,284	1,300,028	8,520	(60,736)
CENTRAL SERVICES					
Operation of plant	8,461,302	8,792,346	8,410,055	307,356	(74,935)
Maintenance of plant	3,922,150	3,921,155	3,638,499	257,308	(25,348)
Total Central Services	12,383,452	12,713,501	12,048,554	564,664	(100,283)
SPECIAL ITEMS					
Unallocated insurance	805,000	809,500	807,982	-	(1,518)
Judgments and claims	250,000	515	-	-	(515)
School association dues	23,600	23,600	23,475	-	(125)
Assessments on school property	70,000	80,020	80,020	-	-
Refunds of real property taxes	50,000	30,000	26,450	-	(3,550)
Administrative charge - BOCES	898,767	901,706	901,706	-	-
Total Special Items	2,097,367	1,845,341	1,839,633	-	(5,708)
Total General Support	17,691,091	17,873,483	17,089,469	578,969	(205,045)
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	1,730,559	1,617,003	1,557,950	25,529	(33,524)
Supervision - Regular school	4,345,424	4,370,707	4,352,350	-	(18,357)
Research, planning and evaluation	65,000	-	-	-	-
Total Instruction, Administration and Improvement	6,140,983	5,987,710	5,910,300	25,529	(51,881)

(Continued)

Chappaqua Central School District, New York

General Fund

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

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget - Over (Under) Actual and Encumbrances
INSTRUCTION (Continued)					
TEACHING - REGULAR SCHOOL	\$ 43,594,847	\$ 44,205,165	\$ 43,890,562	\$ 155,297	\$ (159,306)
PROGRAMS FOR STUDENTS WITH DISABILITIES	14,378,978	14,403,172	14,316,063	-	(87,109)
TEACHING - SPECIAL SCHOOLS	312,250	322,762	315,261	-	(7,501)
INSTRUCTIONAL MEDIA					
School library and audiovisual	1,189,126	1,023,477	1,003,855	959	(18,663)
Computer assisted instruction	3,955,719	5,012,366	4,763,097	165,994	(83,275)
Total Instructional Media	5,144,845	6,035,843	5,766,952	166,953	(101,938)
PUPIL SERVICES					
Attendance - Regular school	54,415	52,938	51,707	-	(1,231)
Guidance - Regular school	2,775,956	2,799,402	2,780,966	-	(18,436)
Health services - Regular school	925,435	1,048,251	1,008,921	-	(39,330)
Psychological services - Regular school	1,760,307	1,393,538	1,391,980	-	(1,558)
Co-curricular activities - Regular school	571,011	663,675	653,172	355	(10,148)
Interscholastic athletics - Regular school	2,002,489	2,285,400	2,200,944	49,644	(34,812)
Total Pupil Services	8,089,613	8,243,204	8,087,690	49,999	(105,515)
Total Instruction	77,661,516	79,197,856	78,286,828	397,778	(513,250)
PUPIL TRANSPORTATION					
Contract and public carrier transportation	8,198,502	8,331,083	8,293,855	990	(36,238)
COMMUNITY SERVICES					
Census	24,871	24,884	24,883	-	(1)
EMPLOYEE BENEFITS					
State retirement	1,705,929	1,679,789	1,679,789	-	-
Teachers' retirement	5,888,562	5,678,591	5,677,846	-	(745)
Social security	5,434,848	5,151,686	5,150,312	-	(1,374)
Hospital and medical insurance	18,355,660	17,484,140	17,462,059	-	(22,081)
Dental and vision insurance	126,166	126,166	120,133	-	(6,033)
Workers' compensation benefits	260,713	251,261	248,692	-	(2,569)
Unemployment benefits	50,000	15,725	11,133	-	(4,592)
Disability insurance	20,852	20,852	17,499	-	(3,353)
Life insurance	16,500	16,500	15,632	-	(868)
Union welfare benefits	900,730	830,730	826,830	-	(3,900)
Other benefits	43,500	104,622	102,237	-	(2,385)
Total Employee Benefits	32,803,460	31,360,062	31,312,162	-	(47,900)
DEBT SERVICE					
Principal					
Serial bonds	3,380,000	3,380,000	3,380,000	-	-
Energy performance contract debt	1,122,436	1,122,436	1,122,435	-	(1)
Leases	-	414,114	414,114	-	-
Installment purchase debt	890,000	-	-	-	-
	5,392,436	4,916,550	4,916,549	-	(1)

(Continued)

Chappaqua Central School District, New York

General Fund

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

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget - Over (Under) Actual and Encumbrances
Interest					
Serial bonds	\$ 2,051,919	\$ 2,104,319	\$ 2,104,319	\$ -	\$ -
Energy performance contract debt	82,485	82,485	82,485	-	-
Leases	-	15,558	15,558	-	-
Bond anticipation note	998,750	998,750	998,750	-	-
	<u>3,133,154</u>	<u>3,201,112</u>	<u>3,201,112</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>8,525,590</u>	<u>8,117,662</u>	<u>8,117,661</u>	<u>-</u>	<u>(1)</u>
TOTAL EXPENDITURES	<u>144,905,030</u>	<u>144,905,030</u>	<u>143,124,858</u>	<u>977,737</u>	<u>(802,435)</u>
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	150,000	150,000	140,262	-	(9,738)
Capital Projects Fund	322,437	1,545,701	1,543,829	-	(1,872)
TOTAL OTHER FINANCING USES	<u>472,437</u>	<u>1,695,701</u>	<u>1,684,091</u>	<u>-</u>	<u>(11,610)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 145,377,467</u>	<u>\$ 146,600,731</u>	<u>\$ 144,808,949</u>	<u>\$ 977,737</u>	<u>\$ (814,045)</u>

See independent auditors' report.

Chappaqua Central School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through June 30, 2026

PROJECT	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
School - Wide Improvements	\$ 43,140,565	\$ 42,908,315	\$ -	\$ 42,908,315
Bell Cafeteria	390,000	332,065	-	332,065
District-Wide Improvements and Alterations	33,985,000	24,946,663	7,573,012	32,519,675
2024 District-Wide Improvements	4,283,061	3,846,064	435,500	4,281,564
2025 District-Wide Improvements - HS Security Booth	322,000	-	319,065	319,065
2025 District-Wide Improvements - 7 Bridges Roof Architect	437,000	-	-	-
2026 District-Wide Improvements - Bell HVAC Auditorium	194,125	-	-	-
2026 District-Wide Improvements - RB Perimeter Fence System	96,851	-	-	-
2026 District-Wide Improvements - Unallocated	787,288	-	-	-
2026 Apple Equipment Lease	699,792	-	699,792	699,792
Totals	<u>\$ 84,335,682</u>	<u>\$ 72,033,107</u>	<u>\$ 9,027,369</u>	<u>\$ 81,060,476</u>

See independent auditors' report.

Unexpended Balance	Methods of Financing				Fund Balance at June 30, 2026
	Proceeds of Obligations	Transfers	Miscellaneous	Totals	
\$ 232,250	\$ 42,500,000	\$ 275,000	\$ 365,565	\$ 43,140,565	\$ 232,250
57,935	-	390,000	-	390,000	57,935
1,465,325	33,985,000	-	-	33,985,000	1,465,325
1,497	-	4,283,061	-	4,283,061	1,497
2,935	-	319,065	-	319,065	-
437,000	-	1,500	-	1,500	1,500
194,125	-	194,125	-	194,125	194,125
96,851	-	96,851	-	96,851	96,851
787,288	-	787,288	-	787,288	787,288
-	699,792	-	-	699,792	-
<u>\$ 3,275,206</u>	<u>\$ 77,184,792</u>	<u>\$ 6,346,890</u>	<u>\$ 365,565</u>	<u>\$ 83,897,247</u>	<u>\$ 2,836,771</u>

Chappaqua Central School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2026

	School Lunch	Special Purpose	Total Non-Major Governmental Funds
ASSETS			
Cash and equivalents	\$ 14,899	\$ 335,447	\$ 350,346
Investments	472,724	-	472,724
	487,623	335,447	823,070
State and Federal aid receivable	252,740	-	252,740
Inventories	1,937	-	1,937
Total Assets	<u>\$ 742,300</u>	<u>\$ 335,447</u>	<u>\$ 1,077,747</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,314	\$ 1,743	\$ 3,057
Due to other funds	2,787	119	2,906
Unearned revenues	125,895	-	125,895
Total Liabilities	<u>129,996</u>	<u>1,862</u>	<u>131,858</u>
Fund balances			
Nonspendable	1,937	-	1,937
Restricted	-	333,585	333,585
Assigned	610,367	-	610,367
Total Fund Balances	<u>612,304</u>	<u>333,585</u>	<u>945,889</u>
Total Liabilities and Fund Balances	<u>\$ 742,300</u>	<u>\$ 335,447</u>	<u>\$ 1,077,747</u>

See independent auditors' report.

Chappaqua Central School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2026

	School Lunch	Special Purpose	Total Non-Major Governmental Funds
REVENUES			
Use of money and property	\$ 5,636	\$ -	\$ 5,636
State aid	1,294,111	-	1,294,111
Federal aid	379,235	-	379,235
Food sales	1,107,452	-	1,107,452
Miscellaneous	-	513,046	513,046
Total Revenues	<u>2,786,434</u>	<u>513,046</u>	<u>3,299,480</u>
EXPENDITURES			
Current			
Cost of food sales	2,552,069	-	2,552,069
Other	-	520,178	520,178
Total Expenditures	<u>2,552,069</u>	<u>520,178</u>	<u>3,072,247</u>
Excess (Deficiency) of Revenues Over Expenditures	234,365	(7,132)	227,233
FUND BALANCES			
Beginning of Year	<u>377,939</u>	<u>340,717</u>	<u>718,656</u>
End of Year	<u>\$ 612,304</u>	<u>\$ 333,585</u>	<u>\$ 945,889</u>

See independent auditors' report.

Chappaqua Central School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2026

Adopted Budget		\$ 144,392,025
Additions		
Encumbrances		<u>985,442</u>
Original Budget		145,377,467
Budget Amendments		<u>1,223,264</u>
Final Budget		<u><u>\$ 146,600,731</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

Year Ended June 30, 2026

2026-27 Expenditure Budget		<u>\$ 150,125,516</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	\$ 3,277,737	
Unassigned fund balance	<u>5,689,267</u>	
Total Unrestricted Fund Balance	<u>8,967,004</u>	
Less		
Appropriated for subsequent year's budget	2,300,000	
Encumbrances	<u>977,737</u>	
Total Adjustments	<u>3,277,737</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 5,689,267</u></u>
Actual Percentage		<u><u>3.79%</u></u>

See independent auditors' report.

Chappaqua Central School District, New York

Schedule of Net Investment In Capital Assets Year Ended June 30, 2026

Capital Assets, net		\$ 167,566,009
Less		
Accounts Payable	\$ (250,562)	
General Obligation Bonds Payable	(68,020,000)	
Energy Performance Contract Debt Payable	(2,853,032)	
Leases Payable	(1,622,095)	
Unamortized Portion of Premium	<u>(2,924,890)</u>	(75,670,579)
Plus		
Unexpended Debt Proceeds	1,715,887	
Unamortized Portion of Loss on Refunding Bonds	<u>520,255</u>	<u>2,236,142</u>
Net Investment in Capital Assets		<u><u>\$ 94,131,572</u></u>

See independent auditors' report.

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Chappaqua Central School District, New York ("School District") as of and for the year ended June 30, 2026, 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 6, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 6, 2026