

**Dobbs Ferry Union Free
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2026

Dobbs Ferry Union Free School District, New York

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Independent Auditors' Report

**The Board of Education of the
Dobbs Ferry Union Free School District, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Dobbs Ferry Union Free 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 2D 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 13, 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 13, 2026

Dobbs Ferry Union Free 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 Dobbs Ferry Union Free 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, 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.
- Fiduciary fund financial statements are used to account for resources held for the benefit of parties outside the School District. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*", the School District had no such activity to report in this fund category.

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

Dobbs Ferry Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

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 like cash to long-term like capital assets.
- *Liabilities* - amounts the School District owes, from short-term such as accounts payable to long-term 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.

Dobbs Ferry Union Free School District, New York

Management's Discussion and Analysis
June 30, 2026

Types of Information Reported in the Financial Statements

	Financial Statements		
	District-Wide	Fiduciary Fund	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.

Dobbs Ferry Union Free 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	\$ 18,350,850	\$ 17,998,449	2.0%
Net Pension Asset - TRS	7,911,020	4,053,208	95.2%
Capital Assets, net	47,850,783	47,628,375	0.5%
Total Assets	74,112,653	69,680,032	6.4%
DEFERRED OUTFLOWS OF RESOURCES	18,669,995	13,759,298	35.7%
LIABILITIES			
Current Liabilities	6,761,562	4,299,407	57.3%
Long-term Liabilities	96,350,001	90,532,005	6.4%
Total Liabilities	103,111,563	94,831,412	8.7%
DEFERRED INFLOWS OF RESOURCES	30,757,599	33,011,365	(6.8%)
NET POSITION			
Net Investment in Capital Assets	27,601,776	26,560,492	3.9%
Restricted	16,417,282	9,839,488	66.9%
Unrestricted	(85,105,572)	(80,803,427)	5.3%
Total Net Position	\$ (41,086,514)	\$ (44,403,447)	(7.5%)

The table above shows that as of June 30, 2026, the School District's total net position for governmental activities (assets and deferred outflows minus liabilities and deferred inflows) was a \$41.1 million deficit, an increase of \$3.3 million or 7.5% compared with 2025.

Governmental Activities

Current assets increased by \$352,401 primarily due to increases in receivables, offset by lower cash and investment balances. Capital assets increased by \$222,408, 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 increased by \$2,462,155 primarily due to the issuance of a \$2,000,000 bond anticipation note payable.

Deferred outflows of resources increased by \$4,910,697 primarily due to pension- and OPEB-related changes. Deferred inflows of resources decreased by \$2,253,766 primarily due to pension- and OPEB-related changes.

Dobbs Ferry Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

Long-term liabilities increased by \$5,817,996 from the previous year. The change was primarily attributable to a \$529,181 net decrease in compensated absences and pension-related changes, including the \$1,067,915 decrease in the ERS net pension liability in the current year. These decreases were partially offset by a \$8,263,052 increase in the OPEB liability. The School District's long-term financing activity, including the issuance of general obligation bonds and retirement of outstanding debt, is discussed further in the Significant Capital Asset and Long-Term Financing Activity section in this MD&A.

A large component of the School District's net position (\$27,601,776) 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 (\$16,417,282) reflects amounts restricted for specific purposes, i.e., capital projects, tax certiorari, unemployment benefits, property loss and liability loss, retirement contributions, debt service, future capital projects, special purposes, and the net pension asset, etc. There is a negative balance of unrestricted net position of \$85,105,572, primarily due to the recognition of pension and postemployment benefit liabilities.

Dobbs Ferry Union Free 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 Revenue:			
Charges for Services	\$ 2,174,326	\$ 2,368,914	(8.2%)
Operating Grants and Contributions	2,051,531	1,487,163	37.9%
Capital Grants and Contributions	-	46,248	(100.0%)
Total Program Revenues	4,225,857	3,902,325	8.3%
General Revenue:			
Property Taxes and Tax Items	46,972,908	45,501,679	3.2%
Unrestricted Use of Money and Property	695,860	717,358	(3.0%)
Unrestricted State Aid	9,374,418	8,751,549	7.1%
Other	270,533	316,736	(14.6%)
Total General Revenues	57,313,719	55,287,322	3.7%
Total Revenues	61,539,576	59,189,647	4.0%
EXPENSES			
General support	9,912,251	8,953,197	10.7%
Instruction	44,498,272	46,295,600	(3.9%)
Pupil transportation	2,156,401	2,096,648	2.8%
Community services	4,020	-	
Cost of food sales	737,363	751,636	(1.9%)
Other	184,328	185,511	(0.6%)
Interest	730,008	642,713	13.6%
Total Expenses	58,222,643	58,925,305	(1.2%)
Change in Net Position	3,316,933	264,342	1154.8%
Net position - Beginning	(44,403,447)	(44,667,789)	0.6%
Net position - Ending	\$ (41,086,514)	\$ (44,403,447)	7.5%

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 \$41.1 million deficit, an increase of \$3.3 million or 7.5% 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.

Dobbs Ferry Union Free 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 \$323,532, general revenues increased by \$2,026,397 for a total increase of \$2,349,929. The primary drivers of these changes were:

- Charges for services decreased by \$194,588, primarily due to a \$370,656 decrease in charges associated with the school lunch program following the District's transition to Provision 2, partially offset by a \$175,603 increase in charges for instructional services.
- Operating grants and contributions increased by \$564,368 primarily due to increased state aid in the school lunch fund. Since the school district became a Provision 2 (P2) school approved by the New York State Education Department to serve free breakfast and lunch to all students regardless of family income, more students are choosing to eat school meals. The federal and state nutrition programs reimburse the district for each meal served, so as participation increases, our meal program revenue will increase.
- Real property taxes increased by \$1,579,513 based on the adopted budget. Real Property taxes (inclusive of STAR reimbursements) increased by 3.18%, as approved by voters at the annual budget vote in May. This increase was below the maximum tax levy the District was allowed to propose under the state's simple majority tax cap calculation.
- Unrestricted State aid increased by \$622,869 primarily due to increases in basic formula aid, lottery aid, and BOCES aid.

Expenses:

The School District's expenses decreased by \$702,662. Major factors contributing to the decrease included:

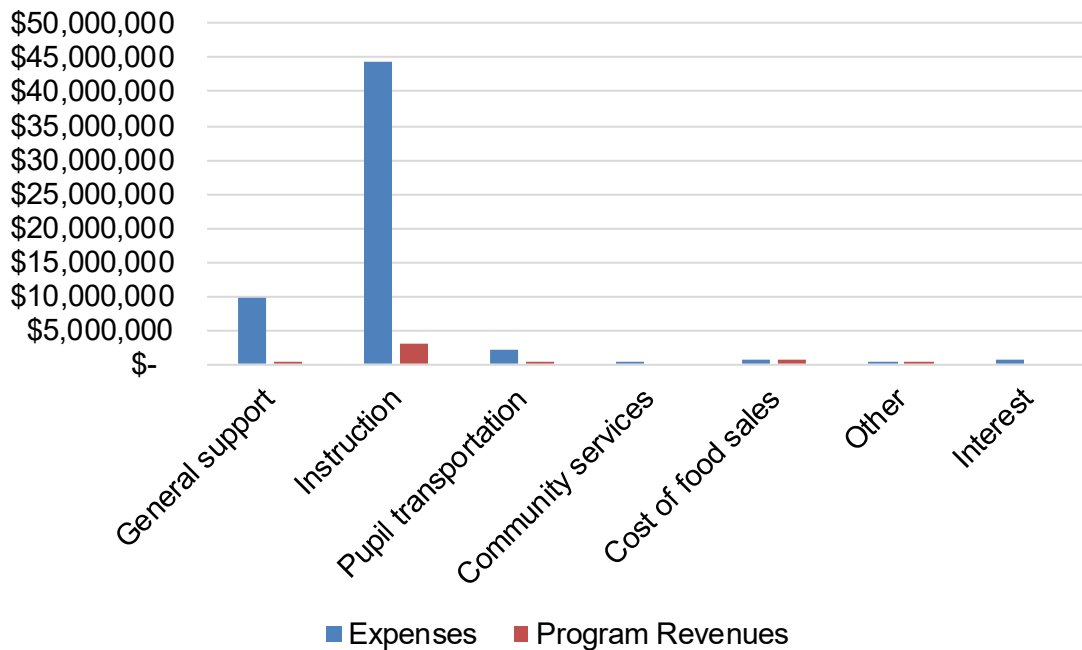
- General support increased by \$959,054 due to an increase in tax certiorari claims and utility costs. The general support budget increased because several expenses changed this year. The District had to pay tax certiorari settlements that were finalized, and this was the final year the District was required to pay a legal claim. In addition, utility costs rose along with other routine operating expenses.
- Instruction expenses decreased by \$1,797,328. Although General Fund instruction expenditures increased by \$413,841, expenses reported in the district-wide financial statements were also affected by conversion entries for pensions, OPEB, compensated absences, depreciation, and other long-term items. District-wide pension expense decreased from \$4,917,109 in 2025 to a credit of \$20,238 in 2026, including a decrease in Teachers' Retirement System pension expense from \$4,343,063 to a credit of \$500,364. The resulting reduction in pension expense more than offset the increase in fund-level

Dobbs Ferry Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

instruction expenditures and was the primary reason instruction expenses decreased on the Statement of Activities.

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, Capital Projects Fund and Special Aid 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 \$3.0 million, while total fund balance increased to \$12.5 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. Unassigned fund balance represents 5.1% of total general fund expenditures, while total fund balance represents 21.3% of that same amount. Of the General Fund's \$12.5 million total fund balance, \$8.7 million is restricted and \$0.8 million is assigned for specific purposes. The remaining \$3.0 million is unassigned and available for general purposes, subject to applicable statutory limitations.

Dobbs Ferry Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

The fund balance of the School District's General Fund increased by \$0.5 million during the current fiscal year. Significant factors affecting the change in fund balance included the following:

- Real property taxes increased by \$1,579,513 based on the adopted budget. Real Property taxes increased by 3.18%, as approved by voters at the annual budget vote in May. This increase was below the maximum tax levy the District was allowed to propose under the state's tax cap calculation.
- State aid increased by \$624,529 primarily due to an increase in state formula aid. Our state aid increased because several of our aid categories grew this past year.
 - The District saw higher reimbursement in expense driven aids, which rose when we participated in eligible programs and services.
 - The District also received a higher amount of excess cost aid, which is tied to the services the District provides to students who require additional support.
 - The District saw a modest increase in Foundation Aid which is the state's primary operating aid formula.
- Expenditures related to instruction increased by \$413,841. The increase in Instruction reflects normal growth across several cost areas. Salaries rose in accordance with our collective bargaining agreements. The costs of benefits, including health insurance, TRS, and ERS increased. In addition, the District saw increased expenses related to out-of-district placements for students with disabilities, along with higher costs for contracted services which include physical and occupational therapy, as well as outside nursing services. Together, these factors resulted in the overall increase in Instruction.
- General support expenditures increased by \$722,707 due to an increase in tax certiorari claims, utility costs, and increased BOCES administrative charges. The general support budget increased because several expenses changed this year, including finalized tax certiorari settlements and a substantial legal claim. In addition, utility costs rose along with other routine operating expenses.

Special Aid Fund - Revenues and expenditures in the Special Aid Fund increased by \$139,801 and \$150,125, respectively from the prior year. This change from the prior year was primarily attributable to grant funds the District was allowed to carry from the previous year. The carryover funds helped the District to provide additional student support services, including services to students with special needs. Significant activity in the fund reflects both the use of prior-year carryover grants and an increase in students requiring services funded through these grants.

Capital Projects Fund - Fund balance in the Capital Projects Fund was a \$1.0 million deficit at year end, representing a decrease of \$2.7 million from the prior year. The change was primarily attributable to capital outlay expenditures of \$2,757,483, partially offset by a \$100,000 transfer in. Significant project activity during the year included the 2020 Construction for Buildings project, which incurred \$2,757,483 of current-year expenditures. 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.

Dobbs Ferry Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

Another reason for the decrease in fund balance for the current year was the use of short-term debt. In the case of the Capital Projects Fund, bond anticipation notes ("BANS") were issued to finance expenditures of certain capital projects. When issued, short-term BANS are reported as a liability on the balance sheet, with no effect on fund balance (i.e., proceeds = liability for debt). However, as the proceeds are spent, the related expenditures cause a decrease in fund balance. BANS in the amount of \$2.0 million remained outstanding and were reported as a liability in the Capital Projects Fund at year end, while only \$1 million of the proceeds remained unspent. The deficit will be reduced or eliminated as the BANS are redeemed through interfund transfers from other governmental funds or converted to permanent financing.

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 \$47.9 million (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and improvements, land improvements, and machinery and equipment. The total increase in capital assets for the current fiscal year was \$0.2 million.

Capital Assets

	June 30,	
	2026	2025
Land	\$ 85,950	\$ 85,950
Construction-in-Progress	2,857,783	1,056,158
Buildings and Improvements	75,500,552	74,544,694
Land Improvements	3,923,939	3,923,939
Machinery and Equipment	1,299,249	1,281,574
Total	83,667,473	80,892,315
Less: Accumulated Depreciation	(35,816,690)	(33,263,940)
Net Capital Assets	<u>\$ 47,850,783</u>	<u>\$ 47,628,375</u>

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

- Construction-in-progress increased by \$1,801,625, reflecting additions of \$2,757,483 and transfers of \$955,858 to buildings and improvements.

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

Long-term financing - At the end of the current fiscal year, the School District had total long-term financing liabilities of \$19.2 million, composed of general obligation bonds and related premium. During the current year, long-term financing liabilities decreased by \$1.9 million.

Dobbs Ferry Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

Long-Term Financings

	June 30,	
	2026	2025
General Obligation Bonds	\$ 18,350,000	\$ 20,185,000
Unamortized premium on bonds	802,008	882,883
Total	<u>\$ 19,152,008</u>	<u>\$ 21,067,883</u>

The \$18.4 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 did not issue general obligation bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the full valuation of taxable property within the jurisdiction. The current debt limitation for the School District is \$244,875,092, 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 3 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

The District is aware of several factors that will continue to influence future finances, and these were considered in developing the upcoming year's budget. Overall enrollment has declined, which affects the amount of state aid the District receives because New York's aid formulas are enrollment-driven and rely on data that is typically one to two years old. At the same time, the number of students requiring additional services has increased, which impacts program and staffing needs.

The District is also experiencing rising costs in key areas, including salaries under collective bargaining agreements, health insurance premiums, retirement system contributions, and everyday operating expenses such as utilities and contractual service costs. These ongoing cost pressures, combined with changing enrollment patterns and the lag in state aid data, were important considerations in planning for the next fiscal year.

At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$3.0 million. The School District has appropriated \$0.5 million for spending in the 2026-2027 fiscal year budget. Applying a portion of the fund balance in this way helps reduce the amount that needs to be raised for taxes.

Dobbs Ferry Union Free 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 the Dobbs Ferry Union Free School District, Attn: Lisa Raymond, Assistant Superintendent for Finance, Facilities & Operations, 505 Broadway, Dobbs Ferry, New York 10522.

Dobbs Ferry Union Free School District, New YorkStatement of Net Position
June 30, 2026

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 5,806,600
Investments	9,612,260
Receivables	
Accounts	71,418
State and Federal aid	1,795,491
Due from other governments	1,065,081
Net pension asset - TRS	7,911,020
Capital assets	
Not being depreciated	2,943,733
Being depreciated, net	44,907,050
Total Assets	<u>74,112,653</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	10,606,051
OPEB related	8,063,944
Total Deferred Outflows of Resources	<u>18,669,995</u>
LIABILITIES	
Accounts payable	1,398,939
Accrued liabilities	41,393
Bond anticipation note payable	2,000,000
Due to other governments	538
Due to retirement systems	3,147,818
Unearned revenues	55,961
Accrued interest payable	116,913
Non-current liabilities	
Due within one year	4,673,223
Due in more than one year	91,676,778
Total Liabilities	<u>103,111,563</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	7,229,317
OPEB related	23,528,282
Total Deferred Inflows of Resources	<u>30,757,599</u>
NET POSITION	
Net investment in capital assets	27,601,776
Restricted	
Capital projects	100,000
Tax certiorari	3,140,765
Unemployment benefits	193,083
Property loss and liability loss	500,000
ERS retirement contributions	786,944
TRS retirement contributions	690,000
Debt service	523,625
Future capital projects	2,499,999
Special purposes	
Extraclassroom	50,990
Other	20,856
Net pension asset - TRS	7,911,020
Unrestricted	<u>(85,105,572)</u>
Total Net Position	<u>\$ (41,086,514)</u>

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

Dobbs Ferry Union Free 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	
General support	\$ 9,912,251	\$ 3,767	\$ 2,500	\$ -	\$ (9,905,984)
Instruction	44,498,272	1,951,034	1,255,035	-	(41,292,203)
Pupil transportation	2,156,401	-	1,724	-	(2,154,677)
Community services	4,020	-	-	-	(4,020)
Cost of food sales	737,363	219,525	614,438	-	96,600
Other	184,328	-	177,834	-	(6,494)
Interest	730,008	-	-	-	(730,008)
Total Governmental Activities	\$ 58,222,643	\$ 2,174,326	\$ 2,051,531	\$ -	(53,996,786)
General revenues					
Real property taxes					44,552,608
Other tax items					
School tax relief reimbursement					1,289,764
Bisected property taxes					13,165
Non-property taxes					
Non-property tax distribution from County					1,117,371
Unrestricted use of money and property					695,860
Sale of property and compensation for loss					1,986
Unrestricted State aid					9,374,418
Miscellaneous					268,547
Total General Revenues					57,313,719
Change in Net Position					3,316,933
Net Position - Beginning					(44,403,447)
Net Position - Ending					\$ (41,086,514)

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

Dobbs Ferry Union Free School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2026

	General	Capital Projects	Special Aid
ASSETS			
Cash and equivalents	\$ 5,537,636	\$ 100,000	\$ 8,546
Investments	9,612,260	-	-
Receivables			
Accounts	39,467	-	14,945
State and Federal aid	948,799	-	753,900
Due from other governments	1,065,081	-	-
Due from other funds	768,845	955,370	-
Total Assets	<u>\$ 17,972,088</u>	<u>\$ 1,055,370</u>	<u>\$ 777,391</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 1,298,245	\$ 52,369	\$ 1,409
Accrued liabilities	41,393	-	-
Bond anticipation note payable	-	2,000,000	-
Due to other funds	955,370	-	768,845
Due to other governments	-	-	-
Due to retirement systems	3,147,818	-	-
Unearned revenues	550	-	7,137
Total Liabilities	<u>5,443,376</u>	<u>2,052,369</u>	<u>777,391</u>
Fund balances (deficits)			
Restricted	8,704,551	-	-
Assigned	829,311	-	-
Unassigned	2,994,850	(996,999)	-
Total Fund Balances (Deficits)	<u>12,528,712</u>	<u>(996,999)</u>	<u>-</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 17,972,088</u>	<u>\$ 1,055,370</u>	<u>\$ 777,391</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 160,418	\$ 5,806,600
-	9,612,260
17,006	71,418
92,792	1,795,491
-	1,065,081
-	1,724,215
<u>\$ 270,216</u>	<u>\$ 20,075,065</u>
\$ 46,916	\$ 1,398,939
-	41,393
-	2,000,000
-	1,724,215
538	538
-	3,147,818
48,274	55,961
<u>95,728</u>	<u>8,368,864</u>
71,846	8,776,397
-	829,311
102,642	2,100,493
<u>174,488</u>	<u>11,706,201</u>
<u>\$ 270,216</u>	<u>\$ 20,075,065</u>

Dobbs Ferry Union Free School District, New YorkReconciliation 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	<u>\$ 11,706,201</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	2,943,733
Capital assets - depreciable	80,723,740
Accumulated depreciation	<u>(35,816,690)</u>
	<u>47,850,783</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	10,606,051
Deferred outflows - OPEB related	8,063,944
Deferred inflows - pension related	(7,229,317)
Deferred inflows - OPEB related	<u>(23,528,282)</u>
	<u>(12,087,604)</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Net pension asset - TRS	<u>7,911,020</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Total OPEB liability	(69,155,672)
General obligation bonds payable	(18,350,000)
Compensated absences	(7,608,439)
Net pension liability - ERS	(433,882)
Accrued interest payable	<u>(116,913)</u>
	<u>(95,664,906)</u>
Governmental funds report the effect of premiums, discounts, and refunding and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Premium on general obligation bonds	<u>(802,008)</u>
Net Position of Governmental Activities	<u><u>\$ (41,086,514)</u></u>

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

Dobbs Ferry Union Free School District, New York

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

	General	Capital Projects	Special Aid
REVENUES			
Real property taxes	\$ 44,552,608	\$ -	\$ -
Other tax items	1,302,929	-	-
Non-property taxes	1,117,371	-	-
Charges for services	1,951,034	-	-
Use of money and property	699,627	-	-
Sale of property and compensation for loss	1,986	-	-
State aid	9,537,855	-	305,219
Federal aid	79,411	-	635,467
Food sales	-	-	-
Miscellaneous	271,047	-	73,225
Total Revenues	59,513,868	-	1,013,911
EXPENDITURES			
Current			
General support	7,912,579	-	-
Instruction	33,344,237	-	1,090,216
Pupil transportation	2,145,266	-	-
Community services	4,020	-	-
Cost of food sales	-	-	-
Employee benefits	12,833,997	-	-
Other	-	-	-
Debt service			
Principal	1,835,000	-	-
Interest	743,058	-	-
Capital outlay	-	2,757,483	-
Total Expenditures	58,818,157	2,757,483	1,090,216
Excess (Deficiency) of Revenues Over Expenditures	695,711	(2,757,483)	(76,305)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	100,000	76,305
Transfers out	(176,305)	-	-
Total Other Financing Sources (Uses)	(176,305)	100,000	76,305
Net Change in Fund Balances	519,406	(2,657,483)	-
FUND BALANCES (DEFICITS)			
Beginning of Year	12,009,306	1,660,484	-
End of Year	\$ 12,528,712	\$ (996,999)	\$ -

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 44,552,608
-	1,302,929
-	1,117,371
-	1,951,034
162	699,789
-	1,986
450,713	10,293,787
163,649	878,527
219,525	219,525
177,748	522,020
1,011,797	61,539,576
-	7,912,579
-	34,434,453
-	2,145,266
-	4,020
731,321	731,321
-	12,833,997
184,328	184,328
-	1,835,000
-	743,058
-	2,757,483
915,649	63,581,505
96,148	(2,041,929)
-	176,305
-	(176,305)
-	-
96,148	(2,041,929)
78,340	13,748,130
\$ 174,488	\$ 11,706,201

Dobbs Ferry Union Free School District, New York

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

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (2,041,929)</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	2,793,158
Depreciation expense	<u>(2,570,750)</u>
	<u>222,408</u>
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. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Principal paid on general obligation bonds	<u>1,835,000</u>
	<u>1,835,000</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	(67,825)
Compensated absences	(538,734)
Changes in pension liabilities and related deferred outflows and inflows of resources	3,042,914
Changes in OPEB liabilities and related deferred outflows and inflows of resources	784,224
Amortization of premium on general obligation bonds	<u>80,875</u>
	<u>3,301,454</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,316,933</u></u>

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

Note 1 - Summary of Significant Accounting Policies

The Dobbs Ferry Union Free School District, New York ("School District"), as presently constituted, was established in 1829 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 Southern 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 resident public school enrollment as defined by Education Law. Copies of BOCES' financial statement can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

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 Federal and State aid.

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

Special Revenue Funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs 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 extraclassroom activity funds.

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 \$9,612,260 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 Town of Greenburgh, New York ("Town") is responsible for the billing and collection of the taxes. The Town guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

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

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

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year and non-equipment capital assets with an initial, individual cost of more than \$15,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Land Improvements	20-30
Machinery and Equipment	5-20

Note 1 - Summary of Significant Accounting Policies (Continued)

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 have been satisfied. In the district-wide financial statements, unearned revenues consist of amounts 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 \$550 for retiree health insurance received in advance in the General Fund, \$7,137 for aid received in advance in the Special Aid Fund and \$48,274 in the School Lunch Fund for meal purchases paid in advance and Federal aid 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 outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3E.

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

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

Compensated Absences – The liability for compensated absences represents the sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the School District's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The

Note 1 - Summary of Significant Accounting Policies (Continued)

liability is calculated based on each employee's rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments are directly and incrementally associated with payments for the leave. The School District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the district-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts is presented in accordance with the provisions of GASB Statement No. 101, *"Compensated Absences"*.

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

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

Net Position - 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, tax certiorari, unemployment benefits, property loss and liability loss, retirement contribution, debt service, future capital projects, special purposes and Net Pension Asset – TRS.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

unrestricted net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

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 of the State of New York.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

F. 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 Event 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 13, 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 of fund balance to 4% of the ensuing year's budget. The School District is currently in excess of this limit.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)**C. Capital Projects Fund Deficit**

The deficit of \$1,096,999 in the 2020 construction for buildings project arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes issued are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. Deficits in this project will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfer from other governmental funds or converted to permanent financing. The Capital Fund has an overall deficit of \$996,999.

D. 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 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 768,845	\$ 955,370
Capital Projects	955,370	-
Special Aid	-	768,845
	<u>\$ 1,724,215</u>	<u>\$ 1,724,215</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.

Dobbs Ferry Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)**B. Capital Assets**

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

Class	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Capital Assets, not being depreciated:				
Land	\$ 85,950	\$ -	\$ -	\$ 85,950
Construction-in-Progress	1,056,158	2,757,483	955,858	2,857,783
Total Capital Assets, not being depreciated	<u>\$ 1,142,108</u>	<u>\$ 2,757,483</u>	<u>\$ 955,858</u>	<u>\$ 2,943,733</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 74,544,694	\$ 955,858	\$ -	\$ 75,500,552
Land Improvements	3,923,939	-	-	3,923,939
Machinery and Equipment	1,281,574	35,675	18,000	1,299,249
Total Capital Assets, being depreciated	<u>79,750,207</u>	<u>991,533</u>	<u>18,000</u>	<u>80,723,740</u>
Less Accumulated Depreciation for:				
Building and Improvements	31,221,583	2,308,644	-	33,530,227
Land Improvements	1,229,548	188,003	-	1,417,551
Machinery and Equipment	812,809	74,103	18,000	868,912
Total Accumulated Depreciation	<u>33,263,940</u>	<u>2,570,750</u>	<u>18,000</u>	<u>35,816,690</u>
Total Capital Assets, being depreciated, net	<u>\$ 46,486,267</u>	<u>\$ (1,579,217)</u>	<u>\$ -</u>	<u>\$ 44,907,050</u>
Capital Assets, net	<u>\$ 47,628,375</u>	<u>\$ 1,178,266</u>	<u>\$ 955,858</u>	<u>\$ 47,850,783</u>

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

General Support	\$ 1,054,987
Instruction	1,509,721
Cafeteria	<u>6,042</u>
Total Depreciation Expense	<u>\$ 2,570,750</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2026 were as follows:

	<u>General Fund</u>
Payroll and Employee Benefits	<u>\$ 41,393</u>

Dobbs Ferry Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)**D. Short-Term Capital Borrowings**

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

Purpose	Original Issue Date	Maturity Date	Rate of Interest	Balance July 1, 2025	Issued	Redeemed	Balance June 30, 2026
District-Wide Construction	7/30/2025	6/25/2026	3.75%	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -
District-Wide Construction	6/24/2026	6/24/2027	4.00%	-	2,000,000	-	2,000,000
				<u>\$ -</u>	<u>\$ 4,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

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 \$67,708 were recorded in the fund financial statements in the General Fund. Interest expense of \$69,041 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	\$ 20,185,000	\$ -	\$ 1,835,000	\$ 18,350,000	\$ 1,885,000
Plus					
Unamortized premium on bonds	882,883	-	80,875	802,008	-
	<u>21,067,883</u>	<u>-</u>	<u>1,915,875</u>	<u>19,152,008</u>	<u>1,885,000</u>
Other Non-current Liabilities:					
Compensated Absences	7,069,705	538,734 *	-	7,608,439	761,000
Net Pension Liability - ERS	1,501,797	-	1,067,915	433,882	-
Other Postemployment Benefit Liabilities	<u>60,892,620</u>	<u>10,290,275</u>	<u>2,027,223</u>	<u>69,155,672</u>	<u>2,027,223</u>
Total Non-Current Liabilities	<u>69,464,122</u>	<u>10,829,009</u>	<u>3,095,138</u>	<u>77,197,993</u>	<u>2,788,223</u>
Total Long-Term Liabilities	<u>\$ 90,532,005</u>	<u>\$ 10,829,009</u>	<u>\$ 5,011,013</u>	<u>\$ 96,350,001</u>	<u>\$ 4,673,223</u>

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

The School District's indebtedness for general obligation bonds payable, compensated absences, net pension liability and other postemployment benefit liability is satisfied by the General Fund.

Dobbs Ferry Union Free 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 individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at June 30, 2026</u>
District-Wide Reconstruction	2018	\$ 14,269,145	December, 2032	2.125 - 3.00 %	\$ 6,855,000
District-Wide Reconstruction	2023	13,865,000	June, 2037	4.00%	11,495,000
					<u>\$ 18,350,000</u>

Interest expenditures of \$675,350 were recorded in the fund financial statements in the General Fund. Interest expense of \$660,967 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2026 including interest payments of \$3,542,888 are as follows:

<u>Ending June 30,</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2027	\$ 1,885,000	\$ 622,100
2028	1,935,000	566,444
2029	1,995,000	507,794
2030	2,060,000	445,150
2031	2,130,000	376,050
2032-2036	7,085,000	974,950
2037	1,260,000	50,400
	<u>\$ 18,350,000</u>	<u>\$ 3,542,888</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.

Note 3 - Detailed Notes on All Funds (Continued)

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, except for teachers, who get paid at a rate of \$50 per day for unused sick days in excess of 100 days and \$160 per day for days over 165 with a maximum of 50 days. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plan

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.

Dobbs Ferry Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

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:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	19.60 %
	5 A15	16.60
	6 A15	12.80
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)	\$ 433,882	\$ (7,911,020)
School District's proportion of the net pension liability	0.0076906 %	0.133608 %
Change in proportion since the prior measurement date	(0.0010684) %	(0.002241) %

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 (asset) 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 liability (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 pension expense in the district-wide financial statements of \$(20,238) (\$480,126 for ERS and \$(500,364) for TRS). Pension expenditures for ERS of \$476,265 were recorded in the fund financial statements in the General Fund. Pension expenditures for TRS of \$2,546,411 was reported in the fund financial statements and were charged to the General Fund.

Dobbs Ferry Union Free 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	\$ 248,293	\$ -	\$ 4,147,138	\$ -
Changes of assumptions	74,478	-	3,131,727	85,294
Net difference between projected and actual earnings on pension plan investments	-	777,975	-	6,178,487
Changes in proportion and differences between School District contributions and proportionate share of contributions	70,323	101,254	159,566	86,307
School District contributions subsequent to the measurement date	145,272	-	2,629,254	-
	<u>\$ 538,366</u>	<u>\$ 879,229</u>	<u>\$ 10,067,685</u>	<u>\$ 6,350,088</u>
Total				
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 4,395,431	\$ -		
Changes of assumptions	3,206,205	85,294		
Net difference between projected and actual earnings on pension plan investments	-	6,956,462		
Changes in proportion and differences between School District contributions and proportionate share of contributions	229,889	187,561		
School District contributions subsequent to the measurement date	2,774,526	-		
	<u>\$ 10,606,051</u>	<u>\$ 7,229,317</u>		

\$145,272 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 \$2,629,254 reported as deferred outflows of resources related to TRS will be recognized as a 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,	June 30,
	ERS	TRS
2026	\$ -	\$ 3,994,264
2027	167,030	(1,664,120)
2028	(290,545)	(1,755,938)
2029	(171,345)	(341,021)
2030	(191,275)	703,176
Thereafter		151,982
	<u>\$ (486,135)</u>	<u>\$ 1,088,343</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%-5.08%
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.

Dobbs Ferry Union Free 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:

Dobbs Ferry Union Free 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 Assumption (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,963,298</u>	<u>\$ 433,882</u>	<u>\$ (1,680,821)</u>
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 15,201,125</u>	<u>\$ (7,911,020)</u>	<u>\$ (27,358,688)</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 \$145,272 to ERS and \$3,002,546 to TRS (including employee contributions of \$373,292).

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 upon salary and the School District will

Note 3 - Detailed Notes on All Funds (Continued)

contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability (“OPEB”)

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

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

Inactive employees currently receiving benefit payments	204
Active employees	<u>253</u>
	<u>457</u>

The School District’s total OPEB liability of \$69,155,672 was measured as of June 30, 2026, and was determined by an actuarial valuation as of July 1, 2025.

The total OPEB liability in the July 1, 2025 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	2.40%
Discount rate	4.67%
Health care cost trend rates	Pre-65: 5.9%, decreasing in accordance with the healthcare cost trend rate schedule to an ultimate rate of 3.8% for 2073 and later years; Post-65: 6.1%, decreasing in accordance with the healthcare cost trend rate schedule to an ultimate rate of 3.8% for 2073 and later years.
Retirees’ share of benefit-related costs	Varies from 0% to 50%, depending on applicable retirement year and bargaining unit

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the PubT-2016 Headcount-Weighted Table for teaching positions and PubG-2016 Headcount-Weighted Table for non-teaching positions. Both were generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and

Dobbs Ferry Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

The actuarial assumptions used in the July 1, 2025 valuation were based on the assumption used in the June 30, 2023 Actuarial Valuation Report for the New York State Teachers' Retirement System and the 2024 Annual Report to the Comptroller on Actuarial Assumptions for the New York State and Local Retirement System.

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	\$ 60,892,620
Service cost	2,187,693
Interest	3,228,136
Differences between expected and actual experience	(1,684,496)
Changes in assumptions or other inputs	6,558,942
Benefit payments	<u>(2,027,223)</u>
Total OPEB Liability - End of Year	<u>\$ 69,155,672</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 (3.67%) or 1 percentage point higher (5.67%) than the current discount rate:

	1% Decrease 3.67%	Current Discount Rate 4.67%	1% Increase 5.67%
Total OPEB Liability	<u>\$ 80,444,667</u>	<u>\$ 69,155,672</u>	<u>\$ 60,038,418</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 (4.9% decreasing to 2.8%) or 1 percentage point higher (6.9% decreasing to 4.8%) than the current healthcare cost trend rates:

	1% Decrease (4.9% decreasing to 2.8%)	Current Healthcare Cost Trend Rates (5.9% decreasing to 3.8%)	1% Increase (6.9% decreasing to 4.8%)
Total OPEB Liability	<u>\$ 58,429,239</u>	<u>\$ 69,155,672</u>	<u>\$ 82,914,554</u>

Dobbs Ferry Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended June 30, 2026, the School District recognized OPEB expense of \$1,242,999 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 805,524	\$ 5,535,593
Changes in assumptions	7,258,420	17,992,689
	<u>\$ 8,063,944</u>	<u>\$ 23,528,282</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	\$ (3,483,648)
2028	(3,687,263)
2029	(3,944,434)
2030	(2,395,785)
2031	(1,899,845)
Thereafter	(53,363)
	<u>\$ (15,464,338)</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		
	Capital Projects Fund	Special Aid Fund	
Transfers Out			Total
General Fund	<u>\$ 100,000</u>	<u>\$ 76,305</u>	<u>\$ 176,305</u>

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

Note 3 - Detailed Notes on All Funds (Continued)

G. Net Position

The components of net position are detailed below:

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

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

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

Restricted for Property Loss and Liability Loss - the component of net position that has been established to set aside funds to cover property loss and liability claims in accordance with Education Law Sections 1709(8-c), 1950(4)(cc).

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for specific purposes in accordance with Section 6-m of the General Municipal Law of the State of New York

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

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

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

Restricted for Future Capital Projects - the component of net position that has been established to set aside funds to be used to finance all or part of the construction or acquisition of a specific type of improvement in accordance with Section 6-c of the General Municipal Law of the State of New York.

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

Restricted for 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".

Dobbs Ferry Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

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

H. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Restricted:				
Tax certiorari	\$ 3,140,765	\$ -	\$ -	\$ 3,140,765
Unemployment benefits	193,083	-	-	193,083
Property Loss and Liability Loss	500,000	-	-	500,000
Employee benefit accrued liability	370,135	-	-	370,135
ERS retirement contributions	636,944	-	-	636,944
ERS retirement contributions - for subsequent years expenditures	150,000	-	-	150,000
TRS retirement contributions	540,000	-	-	540,000
TRS retirement contributions - for subsequent years expenditures	150,000	-	-	150,000
Debt service	373,625	-	-	373,625
Debt service - for subsequent year's expenditures	150,000	-	-	150,000
Future capital projects	2,499,999	-	-	2,499,999
Special purposes - extraclassroom activities	-	-	50,990	50,990
Special purposes - other	-	-	20,856	20,856
Total Restricted	8,704,551	-	71,846	8,776,397
Assigned:				
Purchases on order:				
General support	75,309	-	-	75,309
Instruction	254,002	-	-	254,002
	329,311	-	-	329,311
For subsequent year's expenditures	500,000	-	-	500,000
Total Assigned	829,311	-	-	829,311
Unassigned	2,994,850	(996,999)	102,642	2,100,493
Total Fund Balance	\$ 12,528,712	\$ (996,999)	\$ 174,488	\$ 11,706,201

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.

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.

Employee benefit accrued liability has been established pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Note 3 - Detailed Notes on All Funds (Continued)

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. The unassigned deficit in the Capital Projects Fund represents the deficit in the fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

In another action, the State court revival action under the New York Child Victims Act, a former student is alleging sexual abuse by a Boy Scout Leader, during the approximate period from 1961-1965. The plaintiff alleges that the School District owned the charter and controlled the hiring of the Boy Scout leaders. The School District is vigorously defending this litigation. The case was stayed in January 2022 pending the Boy Scouts of America bankruptcy and remains stayed. The School District is claiming that it should not be liable for the actions of the local Boy Scouts of America personnel.

The School District is a defendant in litigation involving alleged discrimination, harassment and retaliation. All claims except a race discrimination claim have been dismissed, and both parties have appealed portions of the court's decision. The ultimate outcome is uncertain; counsel estimates that an unfavorable judgment could result in compensatory damages of approximately \$200,000 to \$250,000 or more, plus plaintiffs' attorneys' fees and costs of approximately \$275,000 or more, and the plaintiffs' most recent settlement demand was \$785,000.

B. Contingencies

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

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

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

The School District and neighboring school districts in Southern Westchester County, participate in the Southern Westchester 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 Southern Westchester County participate in the State-Wide Schools Cooperative Health Plan. This Plan operates under an agreement, as amended, dated December 12, 1985. The purposes of the Plan are to effect cost savings in members' expenses for health coverage; to provide for centralized administration, funding and disbursements for health coverage; and to provide for such risk management services as may be appropriate to reduce future expense and liability for health coverage. The governance of the Plan shall be in all respects in the hands of the Board of Trustees. The Board of Trustees shall consist of seven trustees elected by the general membership of the Plan. No action may be taken by the Board of Trustees except by a vote of a majority of the total number of trustees. Billings to participants are based upon coverage provided to 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.

Dobbs Ferry Union Free 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	\$ 44,561,783	\$ 44,561,783	\$ -	\$ 44,552,608	\$	\$ (9,175)
Other tax items	1,299,764	1,299,764	-	1,302,929		3,165
Non-property taxes	1,000,000	1,000,000	-	1,117,371		117,371
Charges for services	1,876,500	1,876,500	-	1,951,034		74,534
Use of money and property	457,000	457,000	-	699,627		242,627
Sale of property and compensation for loss	5,000	5,000	-	1,986		(3,014)
State aid	9,137,405	9,137,405	-	9,537,855		400,450
Federal aid	60,000	60,000	-	79,411		19,411
Miscellaneous	75,000	75,000	-	271,047		196,047
Total Revenues	58,472,452	58,472,452	-	59,513,868		1,041,416
EXPENDITURES						
Current						
General support						
Board of education	57,950	64,522	6,572	56,516	920	(7,086)
Central administration	476,874	476,873	(1)	472,512	-	(4,361)
Finance	726,444	761,099	34,655	740,086	9,775	(11,238)
Staff	969,013	951,574	(17,439)	921,782	4,139	(25,653)
Central services	4,417,158	4,554,633	137,475	4,433,220	60,475	(60,938)
Special items	831,797	1,429,251	597,454	1,288,463	-	(140,788)
Total General Support	7,479,236	8,237,952	758,716	7,912,579	75,309	(250,064)
Instruction						
Instruction, administration and improvement	2,323,289	2,349,427	26,138	2,276,988	3,942	(68,497)
Teaching - Regular school	16,676,251	16,618,644	(57,607)	16,455,474	6,783	(156,387)
Programs for students with disabilities	10,161,503	9,930,976	(230,527)	9,322,037	242,672	(366,267)
Occupational education	201,676	216,564	14,888	215,753	-	(811)
Instructional media	1,604,414	1,778,467	174,053	1,722,385	560	(55,522)
Pupil services	3,504,274	3,515,049	10,775	3,351,600	45	(163,404)
Total Instruction	34,471,407	34,409,127	(62,280)	33,344,237	254,002	(810,888)
Pupil transportation	2,081,014	2,146,411	65,397	2,145,266	-	(1,145)
Community services	-	4,020	4,020	4,020	-	-
Employee benefits	13,143,678	13,138,879	(4,799)	12,833,997	-	(304,882)
Debt service						
Principal	1,981,548	1,835,048	(146,500)	1,835,000	-	(48)
Interest	815,378	743,607	(71,771)	743,058	-	(549)
Total Expenditures	59,972,261	60,515,044	542,783	58,818,157	329,311	(1,367,576)
Excess (Deficiency) of Revenues Over Expenditures	(1,499,809)	(2,042,592)	(542,783)	695,711	(329,311)	2,408,992
OTHER FINANCING USES						
Transfers out	(165,000)	(165,000)	-	(176,305)	-	(11,305)
Net Change in Fund Balance	(1,664,809)	(2,207,592)	(542,783)	519,406	\$ (329,311)	\$ 2,397,687
FUND BALANCE						
Beginning of Year	1,664,809	2,207,592	542,783	12,009,306		
End of Year	\$ -	\$ -	\$ -	\$ 12,528,712		

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.

2. General Fund Budgetary Highlights

Differences - Original Budget to Final Budget

	Variance with Original Budget - over (under) Final Budget	
EXPENDITURES		
General support - Special Items	\$ 597,454	The School District amended the budget to pay court ordered tax certiorari refunds.

Dobbs Ferry Union Free 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 (Continued)

Differences - Final Budget to Actual and Encumbrances

		Variance with Final Budget - over (under) Actual and Encumbrances	
REVENUES			
State aid		400,450	The District received more BOCES aid, transportation aid, and lottery aid than anticipated at the time of the budget adoption.
EXPENDITURES			
Instruction -			
Programs for students with disabilities	\$	(366,267)	Actual private placement tuition costs were lower than anticipated due to changes in student placements, service durations, and/or tuition rates.
Employee Benefits		(304,882)	Actual expenditures for retirement costs, social security and health insurance expenditures were below the original estimate due to vacancies, retirements and the timing of new appointments. Additionally, health insurance expenditures were below estimates due to employee enrollment changes and plan selections.

Dobbs Ferry Union Free School District, New York

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

	2026	2025	2024
Total OPEB Liability:			
Service cost	\$ 2,187,693	\$ 3,070,932	\$ 3,223,800
Interest	3,228,136	2,828,114	2,723,683
Changes of benefit terms	-	-	98,115
Differences between expected and actual experience	(1,684,496)	-	(3,536,160)
Changes of assumptions or other inputs *	6,558,942	(12,957,285)	(3,205,340)
Benefit payments	(2,027,223)	(1,862,878)	(1,760,221)
	8,263,052	(8,921,117)	(2,456,123)
Total OPEB Liability – Beginning of Year	60,892,620	69,813,737	72,269,860
Total OPEB Liability – End of Year	\$ 69,155,672	\$ 60,892,620	\$ 69,813,737
School District's covered-employee payroll	\$ 27,223,377	\$ 25,725,884	\$ 25,725,884
Total OPEB liability as a percentage of covered-employee payroll	254.03%	236.70%	271.38%
*Discount Rate	4.67%	5.20%	3.93%

(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.

2023	2022	2021	2020	2019	2018
\$ 3,076,715	\$ 4,208,389	\$ 4,205,541	\$ 3,841,167	\$ 3,551,980	\$ 3,448,524
2,398,412	1,829,737	1,759,820	2,496,880	2,185,249	2,059,624
-	-	-	-	-	-
-	(4,610,903)	-	4,556,914	-	14,992
2,975,052	(15,608,255)	713,990	(1,429,910)	(6,050,798)	-
(1,695,991)	(1,601,344)	(1,602,560)	(1,471,442)	(1,485,862)	(1,393,074)
6,754,188	(15,782,376)	5,076,791	7,993,609	(1,799,431)	4,130,066
65,515,672	81,298,048	76,221,257	68,227,648	70,027,079	65,897,013 (3)
<u>\$ 72,269,860</u>	<u>\$ 65,515,672</u>	<u>\$ 81,298,048</u>	<u>\$ 76,221,257</u>	<u>\$ 68,227,648</u>	<u>\$ 70,027,079</u>
<u>\$ 24,614,383</u>	<u>\$ 24,614,383</u>	<u>\$ 24,055,156</u>	<u>\$ 24,055,156</u>	<u>\$ 22,227,145</u>	<u>\$ 22,227,145</u>
<u>293.61%</u>	<u>266.17%</u>	<u>337.97%</u>	<u>316.86%</u>	<u>306.96%</u>	<u>315.05%</u>
<u>3.65%</u>	<u>3.54%</u>	<u>2.16%</u>	<u>2.21%</u>	<u>3.50%</u>	<u>3.00%</u>

Dobbs Ferry Union Free School District, New York

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

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

	2026	2025	2024 (3)	2023 (2)
School District's proportion of the net pension liability (asset)	0.133608%	0.135849%	0.134960%	0.137512%
School District's proportionate share of the net pension liability (asset)	\$ (7,911,020)	\$ (4,053,208)	\$ 1,543,382	\$ 2,638,703
School District's covered payroll	\$ 26,833,017	\$ 26,512,305	23,376,161	\$ 24,545,074
School District's proportionate share of the liability (asset) as a percentage of its covered payroll	(29%)	(15%)	7%	11%
Plan fiduciary net position as a percentage of the total pension liability	103.99%	102.09%	99.17%	98.57%
Discount Rate	6.95%	6.95%	6.95%	6.95%

Schedule of Contributions

	2026	2025	2024	2023
Contractually required contribution	\$ 2,629,254	\$ 2,712,818	\$ 2,587,601	\$ 2,405,407
Contributions in relation to the contractually required contribution	(2,629,254)	(2,712,818)	(2,587,601)	(2,405,407)
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 27,416,616	\$ 26,833,017	\$ 26,512,305	\$ 23,376,161
Contributions as a percentage of covered payroll	9.59%	10.11%	9.76%	10.29%

(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	2019	2018	2017
<u>0.136442%</u>	<u>0.135946%</u>	<u>0.132966%</u>	<u>0.129987%</u>	<u>0.128823%</u>	<u>0.126673%</u>
<u>\$ (23,644,019)</u>	<u>\$ 3,756,550</u>	<u>\$ (3,454,456)</u>	<u>\$ (2,350,504)</u>	<u>\$ (979,184)</u>	<u>\$ 1,356,722</u>
<u>\$ 23,196,142</u>	<u>\$ 23,141,390</u>	<u>\$ 22,358,254</u>	<u>\$ 21,339,605</u>	<u>\$ 20,413,236</u>	<u>\$ 19,547,640</u>
<u>(101.93)%</u>	<u>16%</u>	<u>(15.45)%</u>	<u>(11.01)%</u>	<u>(4.80)%</u>	<u>6.94%</u>
<u>113.20%</u>	<u>97.76%</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>7.50%</u>
2022	2021	2020	2019	2018	2017
<u>\$ 2,405,407</u>	<u>\$ 2,210,592</u>	<u>\$ 2,050,327</u>	<u>\$ 2,374,447</u>	<u>\$ 2,091,281</u>	<u>\$ 2,392,431</u>
<u>(2,405,407)</u>	<u>(2,210,592)</u>	<u>(2,050,327)</u>	<u>(2,374,447)</u>	<u>(2,091,281)</u>	<u>(2,392,431)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 24,545,074</u>	<u>\$ 23,196,142</u>	<u>\$ 23,141,390</u>	<u>\$ 22,358,254</u>	<u>\$ 21,339,605</u>	<u>\$ 20,413,236</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>

Dobbs Ferry Union Free School District, New York

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

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

	2026	2025	2024 (3)	2023 (2)
School District's proportion of the net pension liability (asset)	<u>0.0076906%</u>	<u>0.0087590%</u>	<u>0.0085982%</u>	<u>0.0087808%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 433,882</u>	<u>\$ 1,501,797</u>	<u>\$ 1,266,008</u>	<u>\$ 1,882,965</u>
School District's covered payroll	<u>\$ 3,139,835</u>	<u>\$ 3,050,898</u>	<u>\$ 3,085,104</u>	<u>\$ 2,990,608</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>14%</u>	<u>49%</u>	<u>41%</u>	<u>63%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.78%</u>	<u>93.08%</u>	<u>93.88%</u>	<u>90.78%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>

Schedule of Contributions

	2026	2025	2024	2023
Contractually required contribution	\$ 458,831	\$ 430,542	\$ 368,420	\$ 324,719
Contributions in relation to the contractually required contribution	<u>(458,831)</u>	<u>(430,542)</u>	<u>(368,420)</u>	<u>(324,719)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 3,148,790</u>	<u>\$ 3,022,207</u>	<u>\$ 3,126,706</u>	<u>\$ 2,977,508</u>
Contributions as a percentage of covered payroll	<u>14.57%</u>	<u>14.25%</u>	<u>11.78%</u>	<u>10.91%</u>

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

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

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

See independent auditors' report.

2022 (3)	2021 (3)	2020 (2)	2019	2018	2017
<u>0.0086080%</u>	<u>0.0082386%</u>	<u>0.0088680%</u>	<u>0.0091502%</u>	<u>0.0094193%</u>	<u>0.0091606%</u>
<u>\$ (703,668)</u>	<u>\$ 8,204</u>	<u>\$ 2,348,296</u>	<u>\$ 648,320</u>	<u>\$ 304,003</u>	<u>\$ 860,754</u>
<u>\$ 2,935,573</u>	<u>\$ 2,758,523</u>	<u>\$ 2,716,945</u>	<u>\$ 2,649,279</u>	<u>\$ 2,702,228</u>	<u>\$ 2,755,750</u>
<u>(23.97)%</u>	<u>0.30%</u>	<u>86.43%</u>	<u>24.47%</u>	<u>11.25%</u>	<u>31.23%</u>
<u>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>
<u>5.90%</u>	<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>
2022	2021	2020	2019	2018	2017
<u>\$ 417,835</u>	<u>\$ 370,707</u>	<u>\$ 369,851</u>	<u>\$ 390,167</u>	<u>\$ 413,012</u>	<u>\$ 397,184</u>
<u>(417,835)</u>	<u>(370,707)</u>	<u>(369,851)</u>	<u>(390,167)</u>	<u>(413,012)</u>	<u>(397,184)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 3,165,017</u>	<u>\$ 2,828,174</u>	<u>\$ 2,691,048</u>	<u>\$ 2,705,864</u>	<u>\$ 2,624,512</u>	<u>\$ 2,756,291</u>
<u>13.20%</u>	<u>13.11%</u>	<u>13.74%</u>	<u>14.42%</u>	<u>15.74%</u>	<u>14.41%</u>

Dobbs Ferry Union Free 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	<u>\$ 44,561,783</u>	<u>\$ 44,561,783</u>	<u>\$ 44,552,608</u>	<u>\$ (9,175)</u>
OTHER TAX ITEMS				
School tax relief reimbursement	1,289,764	1,289,764	1,289,764	-
Bisected property taxes	<u>10,000</u>	<u>10,000</u>	<u>13,165</u>	<u>3,165</u>
	<u>1,299,764</u>	<u>1,299,764</u>	<u>1,302,929</u>	<u>3,165</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,117,371</u>	<u>117,371</u>
CHARGES FOR SERVICES				
Day school tuition	1,093,500	1,093,500	1,156,547	63,047
Textbook Charges	10,000	10,000	8,328	(1,672)
Other student fees and charges	180,000	180,000	242,766	62,766
Health services for other districts	<u>593,000</u>	<u>593,000</u>	<u>543,393</u>	<u>(49,607)</u>
	<u>1,876,500</u>	<u>1,876,500</u>	<u>1,951,034</u>	<u>74,534</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	450,000	450,000	695,860	245,860
Rental of real property	5,000	5,000	2,042	(2,958)
Commissions	<u>2,000</u>	<u>2,000</u>	<u>1,725</u>	<u>(275)</u>
	<u>457,000</u>	<u>457,000</u>	<u>699,627</u>	<u>242,627</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of equipment	5,000	5,000	1,000	(4,000)
Insurance Recoveries	<u>-</u>	<u>-</u>	<u>986</u>	<u>986</u>
	<u>5,000</u>	<u>5,000</u>	<u>1,986</u>	<u>(3,014)</u>
STATE AID				
Basic formula	8,049,493	8,049,493	6,195,284	(1,854,209)
BOCES	826,195	826,195	1,028,378	202,183
Lottery aid	22,665	22,665	2,043,409	2,020,744
Tuition aid	-	-	1,724	1,724
Textbooks	139,052	139,052	93,084	(45,968)
Computer software	-	-	55,092	55,092
Library aid	-	-	13,537	13,537
Tax limitation aid	<u>100,000</u>	<u>100,000</u>	<u>107,347</u>	<u>7,347</u>
	<u>9,137,405</u>	<u>9,137,405</u>	<u>9,537,855</u>	<u>400,450</u>
FEDERAL AID				
Medical assistance	<u>60,000</u>	<u>60,000</u>	<u>79,411</u>	<u>19,411</u>

(Continued)

Dobbs Ferry Union Free School District, New York

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - over (under) Actual</u>
MISCELLANEOUS				
Other	\$ 10,000	\$ 10,000	\$ 32,423	\$ 22,423
Gifts and donations	-	-	2,500	2,500
Refund for BOCES' aided services	65,000	65,000	235,838	170,838
Refund of prior year's expenditures	-	-	286	286
	<u>75,000</u>	<u>75,000</u>	<u>271,047</u>	<u>196,047</u>
TOTAL REVENUES	<u><u>\$ 58,472,452</u></u>	<u><u>\$ 58,472,452</u></u>	<u><u>\$ 59,513,868</u></u>	<u><u>\$ 1,041,416</u></u>

See independent auditors' report.

Dobbs Ferry Union Free 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	\$ 29,350	\$ 29,350	\$ 24,098	\$ -	\$ (5,252)
District clerk	12,700	12,700	12,545	-	(155)
District meeting	15,900	22,472	19,873	920	(1,679)
Total Board of Education	57,950	64,522	56,516	920	(7,086)
CENTRAL ADMINISTRATION					
Chief school administrator	476,874	476,873	472,512	-	(4,361)
FINANCE					
Business administration	531,365	553,114	545,016	-	(8,098)
Accounting and auditing	75,400	77,400	66,590	9,775	(1,035)
Treasurer	119,679	130,585	128,480	-	(2,105)
Total Finance	726,444	761,099	740,086	9,775	(11,238)
STAFF					
Legal	762,000	746,596	727,724	-	(18,872)
Personnel	123,728	126,693	118,028	4,139	(4,526)
Records Management Officer	7,000	7,000	7,000	-	-
Public information and services	76,285	71,285	69,030	-	(2,255)
Total Staff	969,013	951,574	921,782	4,139	(25,653)
CENTRAL SERVICES					
Operation and maintenance of plant	4,017,182	4,152,557	4,033,599	60,475	(58,483)
Central printing and mailing	16,000	18,100	15,645	-	(2,455)
Central data processing	383,976	383,976	383,976	-	-
Total Central Services	4,417,158	4,554,633	4,433,220	60,475	(60,938)
SPECIAL ITEMS					
Unallocated insurance	296,913	294,813	290,808	-	(4,005)
Judgements and Claims	-	542,783	443,798	-	(98,985)
Assessments on school property	254,346	311,117	273,319	-	(37,798)
Administrative charge - BOCES	280,538	280,538	280,538	-	-
Total Special Items	831,797	1,429,251	1,288,463	-	(140,788)
Total General Support	7,479,236	8,237,952	7,912,579	75,309	(250,064)
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	295,519	297,314	295,452	-	(1,862)
Supervision - Regular school	1,768,698	1,799,179	1,791,742	-	(7,437)
In-service training - Instruction	259,072	252,934	189,794	3,942	(59,198)
Total Instruction, Administration and Improvement	2,323,289	2,349,427	2,276,988	3,942	(68,497)

(Continued)

Dobbs Ferry Union Free 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	\$ 16,676,251	\$ 16,618,644	\$ 16,455,474	\$ 6,783	\$ (156,387)
PROGRAMS FOR STUDENTS WITH DISABILITIES	10,161,503	9,930,976	9,322,037	242,672	(366,267)
OCCUPATIONAL EDUCATION	201,676	216,564	215,753	-	(811)
INSTRUCTIONAL MEDIA					
School library and audiovisual	297,459	306,158	295,371	560	(10,227)
Computer assisted instruction	1,306,955	1,472,309	1,427,014	-	(45,295)
Total Instructional Media	1,604,414	1,778,467	1,722,385	560	(55,522)
PUPIL SERVICES					
Attendance- Regular school	74,464	58,301	32,668	-	(25,633)
Guidance - Regular school	1,006,505	1,006,677	998,631	-	(8,046)
Health services - Regular school	533,270	545,537	543,542	-	(1,995)
Psychological services - Regular school	420,981	432,253	432,253	-	-
Social Work services- Regular school	342,564	349,210	349,210	-	-
Co-curricular activities - Regular school	371,826	368,425	293,656	45	(74,724)
Interscholastic athletics - Regular school	754,664	754,646	701,640	-	(53,006)
Total Pupil Services	3,504,274	3,515,049	3,351,600	45	(163,404)
Total Instruction	34,471,407	34,409,127	33,344,237	254,002	(810,888)
PUPIL TRANSPORTATION					
District transportation services	146,464	146,464	145,812	-	(652)
Contract and public carrier transportation	1,934,550	1,999,947	1,999,454	-	(493)
Total Pupil Transportation	2,081,014	2,146,411	2,145,266	-	(1,145)
COMMUNITY SERVICES					
Civic activities	-	4,020	4,020	-	-
EMPLOYEE BENEFITS					
State retirement	516,329	516,329	476,265	-	(40,064)
Teachers' retirement	2,699,030	2,624,030	2,546,411	-	(77,619)
Social security	2,335,597	2,328,406	2,276,857	-	(51,549)
Hospital, medical and dental insurance	7,004,828	7,082,723	6,977,607	-	(105,116)
Unemployment insurance	30,000	18,663	-	-	(18,663)
Workers' compensation benefits	126,280	126,280	125,321	-	(959)
Union welfare benefits	367,982	367,982	363,953	-	(4,029)
Other	63,632	74,466	67,583	-	(6,883)
Total Employee Benefits	13,143,678	13,138,879	12,833,997	-	(304,882)
DEBT SERVICE					
Principal					
Serial bonds	1,981,548	1,835,048	1,835,000	-	(48)

(Continued)

Dobbs Ferry Union Free 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
Interest					
Serial bonds	\$ 815,378	\$ 675,899	\$ 675,350	\$ -	\$ (549)
Bond anticipation notes	-	67,708	67,708	-	-
	815,378	743,607	743,058	-	(549)
Total Debt Service	2,796,926	2,578,655	2,578,058	-	(597)
TOTAL EXPENDITURES	59,972,261	60,515,044	58,818,157	329,311	(1,367,576)
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	100,000	100,000	100,000	-	-
Special Aid Fund	65,000	65,000	76,305	-	11,305
TOTAL OTHER FINANCING USES	165,000	165,000	176,305	-	11,305
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 60,137,261	\$ 60,680,044	\$ 58,994,462	\$ 329,311	\$ (1,356,271)

See independent auditors' report.

Dobbs Ferry Union Free 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
2020 Construction for Buildings	\$ 19,977,378	\$ 15,170,346	\$ 2,757,483	\$ 17,927,829
2025-26 Capital Outlay Exception Project	100,000	-	-	-
	<u>\$ 20,077,378</u>	<u>\$ 15,170,346</u>	<u>\$ 2,757,483</u>	<u>\$ 17,927,829</u>

See independent auditors' report.

Unexpended Balance	Methods of Financing		Fund Balance at June 30, 2026	Bond Anticipation Notes Outstanding June 30, 2026
	Interfund Transfers	Proceeds of Obligations		
		Total		
\$ 2,049,549	\$ 1,700,000	\$ 15,130,830	\$ (1,096,999)	\$ 2,000,000
100,000	100,000	-	100,000	-
<u>\$ 2,149,549</u>	<u>\$ 1,800,000</u>	<u>\$ 15,130,830</u>	<u>\$ (996,999)</u>	<u>\$ 2,000,000</u>

Dobbs Ferry Union Free 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	\$ 88,572	\$ 71,846	\$ 160,418
Receivables			
Accounts	17,006	-	17,006
State and Federal aid	92,792	-	92,792
	109,798	-	109,798
Total Assets	<u>\$ 198,370</u>	<u>\$ 71,846</u>	<u>\$ 270,216</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 46,916	\$ -	\$ 46,916
Due to other governments	538	-	538
Unearned revenues	48,274	-	48,274
Total Liabilities	95,728	-	95,728
Fund balances			
Restricted	-	71,846	71,846
Unassigned	102,642	-	102,642
Total Fund Balances	102,642	71,846	174,488
Total Liabilities and Fund Balances	<u>\$ 198,370</u>	<u>\$ 71,846</u>	<u>\$ 270,216</u>

See independent auditors' report.

Dobbs Ferry Union Free 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	\$ -	\$ 162	\$ 162
State aid	450,713	-	450,713
Federal aid	163,649	-	163,649
Food sales	219,525	-	219,525
Miscellaneous	76	177,672	177,748
Total Revenues	833,963	177,834	1,011,797
EXPENDITURES			
Current			
Cost of food sales	731,321	-	731,321
Other	-	184,328	184,328
Total Expenditures	731,321	184,328	915,649
Net Change in Fund Balances	102,642	(6,494)	96,148
FUND BALANCES			
Beginning of Year	-	78,340	78,340
End of Year	\$ 102,642	\$ 71,846	\$ 174,488

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2026

Adopted Budget	\$ 59,842,452
Additions - Encumbrances	<u>294,809</u>
Original Budget	60,137,261
Budget Amendments	<u>542,783</u>
Final Budget	<u><u>\$ 60,680,044</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

2026-2027 Expenditure Budget	<u>\$ 62,045,799</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 829,311
Unassigned fund balance	<u>2,994,850</u>
Total Unrestricted Fund Balance	<u>3,824,161</u>
Less	
Appropriated for subsequent year's budget	500,000
Encumbrances	<u>329,311</u>
Total Adjustments	<u>829,311</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,994,850</u></u>
Actual Percentage	<u><u>4.83%</u></u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

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

Capital Assets, net		\$ 47,850,783
Less		
General obligation bonds payable	\$ (18,350,000)	
Unamortized portion of issuance premium on bonds	(802,008)	
Bond anticipation notes payable	(2,000,000)	
Accounts payable	<u>(52,369)</u>	(21,204,377)
Plus		
Unexpended bond proceeds		<u>955,370</u>
Net Investment in Capital Assets		<u><u>\$ 27,601,776</u></u>

See independent auditors' report.

**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
Dobbs Ferry Union Free School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Dobbs Ferry Union Free 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 13, 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 13, 2026