FINANCIAL REPORT
AUDITED

ARDSLEY UNION FREE SCHOOL DISTRICT

Ardsley, New York
For the Year Ended June 30, 2026

Audited for:
Board of Education
ARDSLEY UNION FREE SCHOOL DISTRICT

Audited By:

RBT CPAs, LLP
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ARDSLEY UNION FREE SCHOOL DISTRICT

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LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Education
Ardsley Union Free School District
500 Farm Road
Ardsley, NY 10502

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the 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* ("*Government Auditing Standards"*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 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.

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net pension (asset)/liability and related ratios, schedule of employer contributions, schedule of revenues and expenditures compared to budget – general fund, and notes to the schedule of revenues and expenditures compared to budget – general fund information on pages 4 through 10 and 47 through 51 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 District's basic financial statements. The combining nonmajor fund financial statements and the schedule of indebtedness 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 nonmajor fund financial statements and the schedule of indebtedness are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change from Adopted Budget to Final Budget and Section 1318 Real Property Tax Law Limit Calculation, Capital Projects – Project Length Schedule, and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Report 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 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 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 District's internal control over financial reporting and compliance.

RBT CPAs, LLP

Hudson, NY
October 13, 2026

ARDSLEY UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

The accompanying discussion and analysis of the Ardsley Union Free School District's ("the District") financial performance has been prepared to provide an overview of the District's financial activities for the year ended June 30, 2026. The discussion and analysis is only an introduction and should be read in conjunction with the District's financial statements.

I. Overview

Financial Highlights

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $3,642,948. This amount was within the statutory limit.
- As of the close of the current fiscal year, the District's governmental fund financial statements report a combined ending fund balance of $17,666,742, a decrease of $11,993,072 during the current fiscal year.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources at the close of its most recent fiscal year by $13,405,610. The District's total net position increased by $3,732,706 for the year ended June 30, 2026. This is mainly a result of substantial valuation fluctuation in Pension and Other Postemployment Benefits ("OPEB") relating to GASB Statements No. 68 and 75, respectively.
- For the year ending June 30, 2026, the District recorded a liability of $68,923,481 relating to OPEB. New York State has not authorized any legal mechanism to fund this liability.

Overview of the Financial Statements

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

Basic Financial Statements

The first two statements in the basic financial statements are the district-wide Financial Statements. They provide short and long-term information about the District's financial status.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual part of the District. These statements provide more detail than the district-wide statements. There are two parts to the Fund Financial Statements: (1) the governmental and fiduciary statements and (2) the reconciliations to the district-wide financial statements.

The next section of the financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements.

District-wide Financial Statements

The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The governmental activities of the District include instruction, pupil transportation, cafeteria program and general administrative support.

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

Fund Financial Statements

- A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.
- Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- The District maintains six individual governmental funds. The General Fund, Capital Projects Fund, Cafeteria Fund, Debt Service Fund, Miscellaneous Special Revenue Fund and Special Aid Fund are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances, as either major or non-major funds.
- The District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund and included in Required Supplementary Information to demonstrate compliance with the budget.
- The Fiduciary Funds (inclusive of student activity funds) are used to account for assets held by the District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statement because the resources of these funds are not available to support the District's programs.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

II. Financial Summary

DISTRICT-WIDE FINANCIAL ANALYSIS

ARDSLEY UNION FREE SCHOOL DISTRICT'S NET POSITION

	2026	2025	$ Change	% Change
Current Assets	**$ 76,628,538**	$ 47,493,314	$ 29,135,224	61.35%
Net Pension Asset	**11,144,425**	5,584,897	5,559,528	99.55%
Capital Assets, Net	**78,914,757**	65,446,566	13,468,191	20.58%
Total Assets	**166,687,720**	118,524,777	48,162,943	40.64%
Deferred Outflows of Resources				
Pensions	**15,076,888**	14,512,093	564,795	3.89%
Other Postemployment Benefits	**12,980,106**	16,041,416	(3,061,310)	-19.08%
Total Deferred Outflows of Resources	**28,056,994**	30,553,509	(2,496,515)	-8.17%
Current Liabilities	**65,982,098**	23,756,696	42,225,402	177.74%
Long-Term Liabilities	**104,875,820**	117,918,105	(13,042,285)	-11.06%
Total Liabilities	**170,857,918**	141,674,801	29,183,117	20.60%
Deferred Inflows of Resources				
Other Postemployment Benefits	**10,321,754**	7,046,038	3,275,716	46.49%
Pension	**26,970,652**	17,495,763	9,474,889	54.16%
Total Deferred Inflows of Resources	**37,292,406**	24,541,801	12,750,605	51.95%
Net Position:				
Net Investment in Capital Assets	**13,209,181**	36,289,126	(23,079,945)	-63.60%
Restricted	**16,985,152**	20,270,490	(3,285,338)	-16.21%
Unrestricted	**(43,599,943)**	(73,697,932)	30,097,989	40.84%
Total Net Position	**$ (13,405,610)**	$ (17,138,316)	$ 3,732,706	21.78%

The District's increase in current assets of $29,135,224 was primarily due to increased cash and cash equivalents as a result of proceeds from short-term debt issuance.

The net pension asset increased by $5,559,528 during the current year due to changes in pension plan activity, including the relationship between contributions, investment performance, and the District's proportionate share of the plan's net pension liability.

Net capital assets increased by $13,468,191 during the current year primarily due to investments in new capital assets and improvements, which exceeded current-year depreciation and asset disposals.

Other Postemployment Benefits deferred outflows of resources decreased during the current year due to the changes in the actuarial calculations.

Current liabilities increased by 42,225,402 during the current year primarily due to the issuance of a new Bond Anticipation Note.

Long-term liabilities decreased by 13,042,285 during the current year primarily due to decreases in the net OPEB liability and outstanding bond balances.

Other Postemployment Benefits deferred inflows of resources increased during the current year due to the changes in the actuarial calculations.

Pension deferred inflows of resources increased during the current year due to the changes in the actuarial calculations.

At June 30, 2026, $13,209,181 reflects the District's investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the students and, consequently, these assets are not available for future spending. Although the 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. Those assets subject to external restrictions total $16,985,152.

The remaining balance is an unrestricted deficit of $43,599,943, primarily attributable to the accrual of other post-employment benefit obligations promulgated under the requirements of Governmental Accounting Standards Board Statement No. 75, as well as the accrual of compensated absences under the requirements of Governmental Accounting Standards Board Statement No. 101.

In addition, as a requirement 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*, items are included in the Statement of Net Position. As of June 30, 2026, the District reported a net pension (asset)/liability and deferred inflows and outflows as calculated by the New York State Teachers' and Local Employees Retirement systems. This (asset)/liability and the net deferrals are not in custody of, nor are they accessible by the District. Rather these represent the District's share of the calculated excess/shortfall of the respective retirement systems. Please see Note VIII of the financial statements for more information on these pension items.

The negative unrestricted net position balance of $43,599,943 continues to be the result of recognizing the liabilities for Other Postemployment Benefits ("OPEB") and compensated absences, without any legal mechanism to set-aside funds for these liabilities. For the 2025-2026 fiscal year, the OPEB liability decreased by a net amount of $10,244,656 to a balance of $68,923,481. Additionally, for the 2025-2026 fiscal year, the compensated absences liability increased by a net amount of $987,996 to a balance of $24,173,847.

DISTRICT-WIDE FINANCIAL ANALYSIS

ARDSLEY UNION FREE SCHOOL DISTRICT'S CHANGES IN NET POSITION

	2026	**%**	2025	%	$ Change	% Change
Revenues:						
Program Revenues:						
Charges for Services	**$ 3,123,932**	**57.23%**	$ 3,753,525	70.66%	$ (629,593)	-16.77%
Operating Grants and Contributions	**2,334,154**	**42.77%**	1,558,352	29.34%	775,802	49.78%
Total Program Revenue	**5,458,086**	**100.00%**	5,311,877	100.00%	146,209	2.75%
General Revenues:						
Real Property Taxes	**63,118,839**	**76.27%**	61,365,005	75.70%	1,753,834	2.86%
Other Tax Items	**1,704,735**	**2.06%**	1,904,762	2.35%	(200,027)	-10.50%
Non-Property Taxes	**1,262,761**	**1.53%**	1,216,946	1.50%	45,815	3.76%
Use of Money and Property	**2,345,361**	**2.83%**	2,122,576	2.62%	222,785	10.50%
Sales of Property and Compensation for Loss	**148,505**	**0.18%**	71,010	0.09%	77,495	109.13%
Miscellaneous	**84,720**	**0.10%**	122,821	0.15%	(38,101)	-31.02%
State Sources	**14,062,421**	**16.99%**	14,196,405	17.51%	(133,984)	-0.94%
Federal Sources	**12,481**	**0.01%**	25,940	0.04%	(13,459)	-51.89%
Medicaid Reimbursement	**22,232**	**0.03%**	33,469	0.04%	(11,237)	-33.57%
Total General Revenues	**82,762,055**	**100.00%**	81,058,934	100.00%	1,703,121	2.10%
Total Revenues	**88,220,141**		86,370,811		1,849,330	2.14%
Program Expenses:						
General Support	**12,084,033**	**14.30%**	11,735,248	14.03%	348,785	2.97%
Instruction	**64,949,781**	**76.87%**	65,652,570	78.47%	(702,789)	-1.07%
Pupil Transportation	**3,793,902**	**4.49%**	3,594,579	4.30%	199,323	5.55%
Community Service	**884,752**	**1.06%**	891,871	1.07%	(7,119)	-0.80%
Debt Service	**1,431,098**	**1.69%**	744,982	0.87%	686,116	92.10%
Cafeteria Program	**1,343,869**	**1.59%**	1,050,759	1.26%	293,110	27.90%
Total Expenses	**84,487,435**	**100.00%**	83,670,009	100.00%	$ 817,426	0.98%
Change in Net Position	**$ 3,732,706**		$ 2,700,802			

III. Detailed Analysis

Financial Analysis of the Ardsley Union Free School District

The major changes from 2025-26 are as follows:

Revenues:

- Charges for services decreased by $629,593 during the current year due to reduced utilization of services such as students attending from other districts for special education programs and transportation routes that are shared using district buses.
- Real Property Taxes revenue increased by $1,753,834. This was due to an expected increase in expenditure per the budget.
- Operating Grants and Contributions revenue increased by $775,802, due to an increase in Federal and State grant funding.
- Use of Money and Property increased by $222,785 during the current year primarily due to additional cash invested, resulting in higher interest earnings.

Expenses:

- General Support expenses increased by $348,785. This increase is mainly due to an increase in OPEB and ERS pension system costs, and the allocation of employee benefits based on salaries.
- Instructional Program expenses decreased by $702,789. This decrease is mainly due to the decrease in TRS pension system cost and the allocation of employee benefits based on salaries.
- Pupil Transportation expenses increased by $199,323 mainly due to an increase in OPEB and ERS pension systems cost and the allocation of employee benefits based on salaries.
- Debt Services expenses increased by $686,116 mainly due to an increase in interest expense for BAN and serial bonds.
- Cafeteria Program expenses increased by $293,110 mainly due to an increase in contractual expenses for food services.

Selected Governmental Fund Highlights

The General Fund balance decreased from an illustrative $26.4 million to approximately $23 million, primarily due to the use of the Capital Reserve during the year.

Capital Projects Fund expenditure increased as construction activity accelerated on building construction, and HVAC related improvements.

Cafeteria Fund net income improved modestly due to stable meal participation and reimbursement rates that more fully covered food and labor costs than in the prior year.

Fund Balance Reporting

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

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the District's financing for spending at the end of the fiscal year.

The District classifies its fund balances into the following categories:

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

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

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the 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.

Note: According to the Office of the State Comptroller, school districts in New York State will not have committed fund balance to report.

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the entity's highest level of decision-making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. 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 other governmental funds represents any positive remaining amount after classifying non-spendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as non-spendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, when the fund's liabilities and deferred inflows of resources, together with amounts already classified as non-spendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

Total Governmental Funds

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

As of the end of the current fiscal year, the District's governmental funds, reported combined fund balances of $17,666,742, a decrease of $11,993,072 from the prior year. $5,245,954 constitutes assigned fund balance, all of which is assigned for purchases on order, projects and assigned for fund purpose. There is $16,955 in nonspendable for inventory. The remainder of unassigned fund balance is restricted to indicate that it is not available for new spending because it has already been committed. The restricted fund balance includes restrictions for General Fund employment benefits of $1,650,000, for ERS retirement contributions of $2,500,000, TRS retirement contributions of $3,134,867, for unemployment benefits of $253,920, for tax certiorari of $5,000,000, for capital projects of $1,693,756, for insurance of $300,000, and for Debt Service Fund of $2,452,609. The unassigned balance nets to a negative $4,581,319.

The summary of the combined fund balances are as follows:

Nonspendable	$	16,955
Restricted		16,985,152
Assigned		5,245,954
Unassigned		(4,581,319)
	$	17,666,742

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the total fund balance of the General Fund was $23,023,086 of which $3,642,948 or 4% of the ensuing year's budget was unassigned. As previously mentioned, New York State Law limits the amount of unreserved fund balance that can be retained to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

The fund balance of the District's General Fund decreased by $3,418,907 during the current fiscal year.

General Fund Budgetary Highlights

During the year, the District revised the General Fund budget. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

IV. Significant Capital Assets and Long-Term Financing

Capital Asset and Debt Administration

Capital Assets: At June 30, 2026, the District had $78,864,949 net of accumulated depreciation invested in a broad range of capital assets, including land, vehicles, buildings and improvements, furniture and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below. The increase in capital assets during the current fiscal year is a result of asset purchases. Debt: As of June 30, 2026, the District had $65,705,576 in total debt outstanding.

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

Pension

At June 30, 2026, the District reported a liability of $732,351 for its proportionate share of the ERS net pension liability. This liability was measured at March 31, 2026, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2025. The TRS net pension asset was measured as of June 30, 2025, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2024. At June 30, 2026 the District reported an asset of $11,144,425 for its proportionate share of the net pension asset of TRS.

V. Currently Known Factors, Decisions and Conditions

Fiscal Landscape, Federal Shifts and Regionalization

The District continued to manage fiscal conditions affected by increases in operating costs, including personnel, employee benefits, and contractual services. Two bargaining unit contracts were settled during the 2025-2026 school year, the Ardsley Congress of Teachers and the Aides and Assistants Unit. Having settled contracts provides some certainty during the budget process. The District also continued to fund ongoing capital projects, utilizing available resources and financing as appropriate. The voters approved a new capital project in May of 2026 to be funded with $5,000,000 from the capital reserve. Additionally, voters approved a new capital reserve to be established replacing the retiring one. Changes in State aid, property tax revenues, and other revenue sources were also considered in developing and maintaining the annual budget.

There were no significant changes in federal funding or federal programs during the year that materially affected the District financial position or operations.

The District continues to participate in shared-service and cooperative arrangements with other governmental entities to promote operational efficiency and manage costs. Aside from utilizing BOCES services, the District shares transportation with the Quad Village School Districts in order to manage costs for out of district and private parochial transportation. These arrangements allow the District to share resources and services where practical while maintaining appropriate levels of service to the community.

Requests for Information

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

Ardsley Union Free School District
Attn: Ms. Cheri Rosenblatt
Assistant Superintendent for Business, Facilities & Operations
500 Farm Road
Ardsley, NY 10502

ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2026

	Primary Government Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 59,010,864
Restricted Cash	15,282,581
State and Federal Aid Receivable	1,783,495
Due from Other Governments	460,196
Accounts Receivable	74,447
Prepaid Expenses	16,955
Net Pension Asset-Proportionate Share (Note IX)	11,144,425
	87,772,963
Capital Assets, not being depreciated	21,410,513
Capital Assets, being depreciated - net	57,382,435
Intangible Right-to-Use Lease Assets, net	121,809
Total Capital Assets and Intangible Assets, net (Note VI)	78,914,757
Total Assets	166,687,720
DEFERRED OUTFLOWS OF RESOURCES	
Pension (Note IX)	15,076,888
Other Postemployment Benefits (Note X)	12,980,106
Total Deferred Outflows of Resources	28,056,994
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	194,744,714
LIABILITIES	
Accounts Payable	3,442,112
Accrued Liabilities	317,813
Accrued Interest Payable	343,038
Unearned Revenue	984,360
Due to Other Governments	1,374
Due to Retirement Systems	4,647,284
Bond Anticipation Notes (Note VII)	49,562,837
BAN Premium (Note VII)	747,924
Other Liabilities	6,016
Non-Current Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (Note VIII)	2,005,000
Installment Purchase Debt (Note VIII)	239,868
Bond Premiums (Note VIII)	94,095
Lease Liability (Note VIII)	44,267
Compensated Absences Payable (Note VIII)	2,417,385
Other Postemployment Benefits (Note X)	1,128,725
Due and Payable More Than One Year:	
Bonds Payable (Note VIII)	13,345,000
Installment Purchase Debt (Note VIII)	431,062
Bond Premiums (Note VIII)	738,647
Lease Liability (Note VIII)	77,542
Compensated Absences Payable (Note VIII)	21,756,462
Net Pension Liability-Proportionate Share (Note IX)	732,351
Other Postemployment Benefits (Note X)	67,794,756
Total Liabilities	170,857,918
DEFERRED INFLOWS OF RESOURCES	
Pension (Note IX)	10,321,754
Other Postemployment Benefits (Note X)	26,970,652
Total Deferred Inflows of Resources	37,292,406
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	208,150,324
NET POSITION	
Net Investment in Capital Assets	13,209,181
Restricted	16,985,152
Unrestricted	(43,599,943)
Total Net Position	$ (13,405,610)

See accompanying notes to basic financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Support	$ (12,084,033)	$ -	$ -	$ -	$ (12,084,033)
Instruction	(64,949,781)	2,872,946	1,300,017	-	(60,776,818)
Pupil Transportation	(3,793,902)	-	-	-	(3,793,902)
Community Service	(884,752)	-	-	-	(884,752)
Cafeteria Program	(1,343,869)	250,986	1,034,137	-	(58,746)
Interest on Debt	(1,431,098)	-	-	-	(1,431,098)
Total Primary Government	$ (84,487,435)	$ 3,123,932	$ 2,334,154	$ -	(79,029,349)
General Revenues:					
Real Property Taxes					63,118,839
Other Tax Items					2,967,496
Use of Money and Property					2,345,361
Sale of Property and Compensation for Loss					148,505
Miscellaneous					84,720
State Sources					14,062,421
Federal Sources					34,713
Total General Revenues					82,762,055
Change in Net Position					3,732,706
Net Position - Beginning					(17,138,316)
Net Position - Ending					$ (13,405,610)

See accompanying notes to basic financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$17,576,316	$ 41,127,743	$ 306,805	$ 59,010,864
Restricted Cash	14,532,543	-	750,038	15,282,581
Due from Other Funds	1,200,055	5,000,000	1,983,140	8,183,195
State and Federal Aid Receivable	686,356	-	1,097,139	1,783,495
Due from Other Governments	460,196	-	-	460,196
Accounts Receivable, Net	49,862	-	24,585	74,447
Prepaid Expenditures	16,955	-	-	16,955
Total Assets	$34,522,283	$ 46,127,743	$ 4,161,707	$ 84,811,733
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 497,847	$ 2,832,736	$ 111,529	3,442,112
Accrued Liabilities	311,574	-	6,239	317,813
Unearned Revenues	754,674	-	229,686	984,360
Due to Other Funds	5,280,569	1,956,437	946,189	8,183,195
Due to Other Governments	1,233	-	141	1,374
Bond Anticipation Note Payable	-	49,562,837	-	49,562,837
Due to Teachers' Retirement System	4,374,745	-	-	4,374,745
Due to Employees' Retirement System	272,539	-	-	272,539
Other Liabilities	6,016	-	-	6,016
Total Liabilities	11,499,197	54,352,010	1,293,784	67,144,991
Fund Balances:				
Nonspendable	16,955	-	-	16,955
Restricted	14,532,543	-	2,452,609	16,985,152
Assigned for Encumbrances	776,202	-	-	776,202
Assigned for Subsequent Years Budget	4,054,438	-	-	4,054,438
Assigned for Fund Purpose	-	-	415,314	415,314
Unassigned	3,642,948	(8,224,267)	-	(4,581,319)
Total Fund Balances	23,023,086	(8,224,267)	2,867,923	17,666,742
Total Liabilities and Fund Balances	$34,522,283	$ 46,127,743	$ 4,161,707	$ 84,811,733

See accompanying notes to basic financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	$ 59,010,864	$ -	$ -	$ 59,010,864
Restricted Cash	15,282,581	-	-	15,282,581
Due from Other Funds	8,183,195		(8,183,195)	-
State and Federal Aid Receivable	1,783,495	-	-	1,783,495
Due From Other Governments	460,196	-	-	460,196
Accounts Receivable, Net	74,447	-	-	74,447
Prepaid Expenditures	16,955	-	-	16,955
Capital Assets, net	-	78,792,948	-	78,792,948
Right to Use Lease Asset, net	-	121,809	-	121,809
Net Pension Asset-Proportionate Share	-	11,144,425	-	11,144,425
Total Assets	84,811,733	90,059,182	(8,183,195)	166,687,720
Deferred Outflows of Resources - Pension ERS		1,100,901		1,100,901
Deferred Outflows of Resources - Pension TRS	-	13,975,987	-	13,975,987
Deferred Outflows of Resources - OPEB	-	12,980,106	-	12,980,106
Total Assets and Deferred Outflows	$ 84,811,733	$118,116,176	$ (8,183,195)	$ 194,744,714
LIABILITIES				
Accounts Payable	$ 3,442,112	$ -	$ -	$ 3,442,112
Accrued Liabilities	317,813	-	-	317,813
Accrued Interest Payable	-	343,038	-	343,038
Unearned Revenues	984,360	-	-	984,360
Due to Other Funds	8,183,195	-	(8,183,195)	-
Due to Other Governments	1,374	-	-	1,374
Bond Anticipation Note Payable	49,562,837	-	-	49,562,837
Bond Payable	-	15,350,000	-	15,350,000
Bond Premiums	-	832,742	-	832,742
BAN Premium	-	747,924		747,924
Installment Purchase Debt Payable	-	670,930	-	670,930
Lease Liability	-	121,809	-	121,809
Due to Teachers' Retirement System	4,374,745	-	-	4,374,745
Due to Employees' Retirement System	272,539	-	-	272,539
Compensated Absences Payable	-	24,173,847	-	24,173,847
Other Postemployment Benefits Payable	-	68,923,481	-	68,923,481
Other Liabilities	6,016	-	-	6,016
ERS Net Pension Liability-Proportionate Share	-	732,351	-	732,351
Total Liabilities	67,144,991	111,896,122	(8,183,195)	170,857,918
Deferred Inflows of Resources - Pension ERS	-	1,427,575	-	1,427,575
Deferred Inflows of Resources - Pension TRS	-	8,894,179	-	8,894,179
Deferred Inflows of Resources - OPEB	-	26,970,652	-	26,970,652
Total Liabilities and Deferred Inflows	67,144,991	149,188,528	(8,183,195)	208,150,324
Total Fund Balances/Net Position	17,666,742	(31,072,352)	-	(13,405,610)
Total Liabilities, Deferred Inflows and Fund Balances/Net Position	$ 84,811,733	$118,116,176	$ (8,183,195)	$ 194,744,714

See accompanying notes to basic financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
Revenues:				
Real Property Taxes	$ 63,118,839	$ -	$ -	$ 63,118,839
Other Tax Items	1,704,735	-	-	1,704,735
Non-Property Tax Items	1,262,761	-	-	1,262,761
Charges for Services	2,872,946	-	-	2,872,946
Use of Money and Property	1,568,516	-	776,845	2,345,361
Sale of Property and Compensation for Loss	148,505	-	-	148,505
Miscellaneous	79,618	-	5,102	84,720
State Aid	14,062,421	-	1,370,498	15,432,919
Medicaid Reimbursement	22,232	-	-	22,232
Federal Aid	12,481	-	897,410	909,891
Surplus Food	-	-	66,246	66,246
Food Sales	-	-	250,986	250,986
Total Revenues	84,853,054	-	3,367,087	88,220,141
Expenditures:				
General Support	8,612,381	-	-	8,612,381
Instruction	47,779,398	-	1,344,106	49,123,504
Pupil Transportation	3,074,276	-	68,427	3,142,703
Community Service	654,313	-	-	654,313
Employee Benefits	18,854,125	-	164,250	19,018,375
Debt Service Principal	-	-	2,235,300	2,235,300
Debt Service Interest	-	-	1,415,991	1,415,991
Cost of Food Sales	-	-	1,274,172	1,274,172
Capital Outlay	-	15,803,611	-	15,803,611
Total Expenditures	78,974,493	15,803,611	6,502,246	101,280,350
Excess/(Deficiency) of Revenues Over Expenditures	5,878,561	(15,803,611)	(3,135,159)	(13,060,209)
Other Financing Sources/(Uses):				
Proceeds from Bonds	-	319,213	-	319,213
Premium on Issuance of BAN	-	-	747,924	747,924
Operating Transfers In	-	5,555,917	3,802,409	9,358,326
Operating Transfers Out	(9,297,468)	(60,858)	-	(9,358,326)
Total Other Financing Sources/(Uses)	(9,297,468)	5,814,272	4,550,333	1,067,137
Change in Fund Balances	(3,418,907)	(9,989,339)	1,415,174	(11,993,072)
Fund Balances - Beginning	26,441,993	1,765,072	1,452,749	29,659,814
Fund Balances - Ending	$ 23,023,086	$ (8,224,267)	$ 2,867,923	$ 17,666,742

See accompanying notes to basic financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Asset Transactions	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
Revenues:						
Real Property Taxes	$ 63,118,839	$ -	$ -	$ -	$ -	$ 63,118,839
Other Tax Items	1,704,735	-	-	-	-	1,704,735
Non-Property Tax Items	1,262,761	-	-	-	-	1,262,761
Charges for Services	2,872,946	-	-	-	-	2,872,946
Use of Money and Property	2,345,361	-	-	-	-	2,345,361
Sale of Property and Compensation for Loss	148,505	-	-	-	-	148,505
Miscellaneous	84,720	-	-	-	-	84,720
State Aid	15,432,919	-	-	-	-	15,432,919
Medicaid Reimbursement	22,232	-	-	-	-	22,232
Federal Aid	909,891	-	-	-	-	909,891
Surplus Food	66,246	-	-	-	-	66,246
Food Sales	250,986	-	-	-	-	250,986
Total Revenues	88,220,141	-	-	-	-	88,220,141
Expenditures:						
General Support	8,612,381	-	2,253,044	-	1,218,608	12,084,033
Instruction	49,123,504	-	(137,806)	-	15,964,083	64,949,781
Pupil Transportation	3,142,703	-	156,539	-	494,660	3,793,902
Community Service	654,313	-	-	-	230,439	884,752
Employee Benefits	19,018,375	(1,057,917)	-	-	(17,960,458)	-
Debt Service Principal	2,235,300	-	-	(2,235,300)	-	-
Debt Service Interest	1,415,991	-	-	15,107	-	1,431,098
Cost of Food Sales	1,274,172	-	17,029	-	52,668	1,343,869
Capital Outlay	15,803,611	-	(15,803,611)	-	-	-
Total Expenditures	101,280,350	(1,057,917)	(13,514,805)	(2,220,193)	-	84,487,435
Excess/(Deficiency) of Revenues Over Expenditures	(13,060,209)	1,057,917	13,514,805	2,220,193	-	3,732,706
Other Financing Sources/(Uses)						
Proceeds from Bonds	319,213	-	-	(319,213)	-	-
Premium on Issuance of BAN	747,924	-	-	(747,924)	-	-
Operating Transfers In	9,358,326	-	-	-	(9,358,326)	-
Operating Transfers Out	(9,358,326)	-	-	-	9,358,326	-
Total Other Financing Sources/(Uses)	1,067,137	-	-	(1,067,137)	-	-
Change in Fund Balances	$ (11,993,072)	$ 1,057,917	$ 13,514,805	$ 1,153,056	$ -	$ 3,732,706

See accompanying notes to basic financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2026

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	$ 208,393
Total Assets	208,393
NET POSITION	
Other Custodial Activities	208,393
Total Net Position	$ 208,393

See accompanying notes to basic financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2026

	Custodial Fund
ADDITIONS	
Contributions	$ 416,307
Interest	1,643
Total Additions	417,950
DEDUCTIONS	
General Support	394,308
Total Deductions	394,308
Change in Fiduciary Net Position	23,642
Net Position - Beginning of Year	184,751
Net Position - End of Year	$ 208,393

See accompanying notes to basic financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Certain significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity:

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, *Component Units*, GASB 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 39 and GASB Statement 80 - Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

B. Joint Venture:

The District is a component district in the Southern Westchester County Board of Cooperative Education Services ("BOCES"). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities.

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

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

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

During the year, the District was billed $3,220,284 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $872,137.

The financial statements for the BOCES are available from the BOCES administrative office.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Presentation:

1. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions.

Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

a. General Fund:

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

b. Capital Projects Fund:

These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

3. The District reports the following non-major governmental funds:

a. Special Revenue Funds:

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

i. Special Aid Funds:

These funds are used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State and Local grants.

ii. Cafeteria Fund:

Cafeteria Fund is used to account for transactions of lunch, breakfast, and milk programs.

iii. Miscellaneous Special Revenue Fund:

A Miscellaneous Special Revenue Fund used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Presentation - Continued:

3. The District reports the following non-major governmental funds - Continued:

   b. Debt Service Fund:

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

4. The District reports the following fiduciary funds:

   These funds are used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the District, and are not available to be used.

   a. Custodial Funds:

   These funds are strictly custodial in nature and are not required to be reported in pension and other employee benefit trust funds, investment trust funds or private purpose trust fund.

   The District accounts for assets held as an agent for various student organizations in a Custodial Fund. The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from the District's business office.

D. Measurement Focus and Basis of Accounting:

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 or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. Cash and Cash Equivalents:

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposits not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts. Investments are stated at fair value.

Cash equivalents also include investing in short-term, highly liquid, pooled investments designed specifically for the public sector.

F. 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 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 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 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 District's name.

The District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2026.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the issuer or other counterparty's complete failure. The 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 District's investment policy limits the amount on deposit at each of its banking institutions.

G. Property Taxes:

1. Real property taxes becomes a lien on August 16th and is levied annually by the Board of Education no later than September 1st. Taxes are collected during the period September 1st to January 31st.

   Uncollected real property taxes are subsequently enforced by Westchester County (the "County") in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1st.

2. In June of 2011, New York State passed Chapter 97 of the Laws of 2011 ("Tax Cap Law"). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the District in a particular year, beginning with the 2012 fiscal year.

   The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items ("CPI-U)", subject to certain limited exceptions and adjustments.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

H. Accounts Receivable:

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

I. Other Receivables:

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

J. Inventories and Prepaid Items:

Inventories of food in the Cafeteria Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

K. Interfund Transactions:

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

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

Refer to Note V for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenue activity.

L. Other Assets/Restricted Assets:

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

M. Capital Assets:

Capital assets are reported at actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received.

Capitalized threshold (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings	$ 5,000	20 - 50 years
Improvements	5,000	20 - 50 years
Furniture and Equipment	5,000	5 - 20 years

N. Intangible Right-to-Use Lease Assets:

The District is a lessee for various noncancelable leases of land, buildings, equipment, and other assets. For leases with a maximum possible term of 12 months or less at commencement (short term), the District recognizes lease expense based on the provisions of the lease agreement in the Statements of Revenues, Expenses, and Changes in Net Position. For all other leases, the District recognizes a lease liability and an intangible right-to-use leased asset in the Statement of Net Position.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

The leased asset is initially measured at the amount of the lease liability, and as applicable, less lease payments made on or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. A full month of amortization is calculated in the month the leased asset is placed in service. If the District is reasonably certain of exercising a purchase option contained in a lease, the leased asset is amortized over the useful life of the underlying asset.

The following key estimates and judgments are used by the District to determine the following:

− Discount rate: The District generally uses an incremental borrowing rate as the discount rate to calculate the present value of the expected lease payments unless the rate that the lessor charges is known. Since the District's bonds are not actively traded, the District determines its incremental borrowing rate by using observable inputs from yield curves from similar entities with similar ratings.

− Lease term: The lease term includes the noncancelable period of the lease, plus periods covered by either a District or lessor unilateral option to 1) extend when it is reasonably certain to be exercised, or 2) terminate when it is reasonably certain not to be exercised. Periods in which the District and the lessor have an option to terminate or those that are covered by a bilateral option, where both parties must agree, are excluded from the lease term.

− Lease payments: Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the District is reasonably certain to exercise.

The District monitors changes in circumstances that may require a remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured, and a corresponding adjustment is made to the lease asset.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

O. Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then.

The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and differences during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is the District's contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting and is reported as unavailable revenue. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability or asset (TRS and ERS System) and differences during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

P. Vested Employee Benefits:

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB Statement 101, *Compensated Absences*, an accrual for accumulated sick leave is included in the compensated absences liability in the district-wide financial statements. The compensated absences liability is calculated based on the rates in effect at year-end as defined in the contractual bargaining agreement.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available resources. These amounts are recorded on a pay-as-you go basis.

Q. Other Benefits:

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System. In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors in accordance with various employment contracts. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District and have completed 10 years of continuous service. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. Some costs of providing post-retirement benefits are shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of the insurance premiums as expenditure or operating transfer to other funds in the General Fund in the year paid.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

R. Unearned Revenue:

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

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

S. Restricted Resources:

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

T. Estimates:

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

U. Short-Term Debt:

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

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

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

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

V. Accrued Liabilities and Long-Term Obligations:

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

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

W. 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 District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

X. Equity Classifications:

1. District-Wide Statements:

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

   a. *Net Investment in Capital Assets* – consists of net capital assets (cost less accumulated depreciation) and net intangible assets (cost less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

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

   c. *Unrestricted Net Position* – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

2. Fund Statements:

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

   a. *Nonspendable* – includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

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

      i. Capital/Technology:
      According to Education Law §3651, restricted fund balances must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters.

      The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

X. Equity Classifications - Continued:

2. Fund Statements - Continued:

ii. Debt Service:
According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement.

iii. Employee Benefit Accrued Liability:
According to General Municipal Law §6-p,this reserve must be used for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

iv. Insurance:
According to General Municipal Law §6-n, the Insurance Reserve must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval.

v. Retirement Contributions:
According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This Reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separately and apart from all other funds and a detailed report of the operations and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019 a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System.

During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

X. Equity Classifications - Continued:

2. Fund Statements - Continued:

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

Restricted fund balance includes the following:

General Fund:	
Capital Reserve	$ 1,693,756
Tax Certiorari	5,000,000
Employee Benefits	1,650,000
Unemployment Insurance	253,920
Insurance	300,000
ERS Retirement Contributions	2,500,000
TRS Retirement Contributions	3,134,867
Total General Fund	14,532,543
Debt Service Fund	2,452,609
Total Restricted Fund Balance	$ 16,985,152

c. *Committed* – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2026.

d. *Assigned* – Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Assigned to the reduction of the 2026-2027 tax levy is $4,054,438. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $776,202.

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

e. *Unassigned* – Includes all other General Fund net assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, this classification should only be used to report a deficit balance.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

3. Order of Use of Fund Balance:

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Y. Subsequent Events:

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.

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Fund Statements and Net Position reported on the Statement of Net Position.

(1) The costs of building and acquiring capital assets (land, infrastructure, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their lives.

Original Cost of Capital Assets	$ 130,515,015
Accumulated Depreciation	(51,722,067)
Capital Assets, Net	$ 78,792,948

(2) The government funds do not include long-term liabilities because they are not due and payable in the current period. However, the liabilities are reported in the Statement of Net Position because they represent economic liabilities. Balances at year end were:

Intangible Right-to-Use Lease Assets	$ 228,989
Accumulated Depreciation	(107,180)
Intangible Right-to-Use Lease Assets, Net	$ 121,809

(3) The governmental funds do not include non-current assets. However, these assets are reported in the Statement of Net Position because they represent economic assets. Balances at year end were:

Net Pension Assets (TRS)	$ 11,144,425

(4) Deferred outflows and inflows of resources are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year end were:

Deferred Outflows of Resources	$ 28,056,994
Deferred Inflows of Resources	$ 37,292,406

(5) Interest payable is recognized in the entity wide statements under full accrual accounting. No accrual is recognized in the governmental fund statements for interest that was not paid from current financial resources.

Interest Payable at June 30, 2026	$ 343,038

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENTS AND DISTRICT-WIDE STATEMENTS – CONTINUED

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities – Continued:

(6) The governmental funds do not report long-term liabilities because they are not due and payable in the current period. However, the liabilities reported in the statements of Net Position because they represent economic liabilities. Balances at year-end were:

Bonds Payable	$ 15,350,000
Unamortized Bond Premium	832,742
Installment Purchase Debt	670,930
Lease Liability	121,809
Compensated Absences Payable	24,173,847
ERS Net Pension Liability	732,351
Other Postemployment Benefits	68,923,481
	$ 110,805,160

B. Statement of Revenues, Expenditures, and Changes in Fund Balance vs. Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of four broad categories:

1. Long-Term Revenue/Expense Differences:
Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

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

3. Long-Term Debt Transaction Differences:
Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

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

5. OPEB Differences:
OPEB differences occur as a result of changes in the District’s total OPEB liability and differences between the District’s contributions and OPEB expense.

The basic financial statements contain a detailed reconciliation of the items creating the difference between the change in fund balance reported in the governmental funds and the change in net position reported in the Statement of Activities.

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENTS AND DISTRICT-WIDE STATEMENTS - CONTINUED

B. Statement of Revenues, Expenditures, and Changes in Fund Balance vs. Statement of Activities – Continued:

Total Revenues

Total revenues reported in governmental funds	$ 88,220,141
Adjustments	-
Total revenues reported in the Statement of Activities	$ 88,220,141

Total Expenditures/Expenses

Total expenditures reported in governmental funds	$ 101,280,350
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid.) This is the amount by which the liability for compensated absences increased during the year.	987,996
In the Statement of Activities, the expenses for other postemployment benefits are measured based on the change in the actuarially determined OPEB liability and related deferred inflows/outflows of resources of the School District. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which OPEB expense exceeded the amount of financial resources used during the year.	2,291,543
In the Statement of Activities, pension expense related to ERS and TRS defined benefit plans is measured as the change in the School District's proportionate shares of the net pension assets, liabilities, deferred inflows, and deferred outflows as of the measurement dates for each plan. In the governmental funds however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was less than the amount of financial resources expended during the year.	(4,337,456)
Amortization of the premium received on bond reduces interest expense.	(94,095)
Interest payable is recognized in the government-wide statements under full accrual accounting whereas it is recognized when paid in the governmental fund statements. This is the amount by which interest payable for the current year was more than the interest payable for the prior year.	109,202
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the year they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense of $2,576,225 was less than cash capital expenditures of $16,091,030 in the current year.	(13,514,805)
Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	(2,235,300)
Total expenses reported in the Statement of Activities	$ 84,487,435

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Procedures and Budgetary Accounting:

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

-- General Fund

The voters of the District approved the proposed appropriation budget for the General Fund. Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations will lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists, which was not determined at the time the budget was adopted.

Supplemental appropriations occurred during the year and are detailed below:

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

Special Revenue Funds have not been included in the comparison because they do not have legally authorized (appropriated) budgets.

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

1. Encumbrances:
   Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred, or the commitment is paid.
2. The District's unreserved undesignated fund balance was in excess of New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The District intends to take actions to pursue this issue.

IV. CASH AND CASH EQUIVALENTS

At June 30, 2026, the carrying amount of the District's deposit (cash, certificates of deposit, interest-bearing savings accounts and pooled investments) was $74,501,838, and the bank balance was $77,654,875. The District's deposits at June 30, 2026, and during the year then ended, were covered by FDIC Insurance, by pledged collateral held by the District's agent bank in the District's name or by allowable pooled securities. Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

As of June 30, 2026, $-0- of the District's bank balance of $77,654,875 was exposed to custodial credit risk.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end include $15,282,581 within the governmental funds and $-0- in the fiduciary funds.

V. INTERFUND ACTIVITY

The interfund receivables and payables at June 30, 2026 were as follows:

Funds	Interfund Receivables	Interfund Payables
General	$ 1,200,055	$ 5,280,569
Capital Projects	5,000,000	1,956,437
Special Aid	-	946,189
Debt Service	1,702,571	-
Cafeteria	280,569	-
TOTAL	$ 8,183,195	$ 8,183,195

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.

Funds	Transfers In	Transfers Out
General	$ -	$ 9,297,468
Capital Projects	5,555,917	60,858
Special Aid	271,066	-
Debt Service	3,531,343	-
TOTAL	$ 9,358,326	$ 9,358,326

In the normal course of its operations, the District budgets for and transfers monies between funds for budgeted purposes. From the General Fund these represent transferring the District's 20% share of the Special Aid Fund's Summer Handicapped Program, transfers to the Capital Fund for voter authorized capital items such as construction and bus purchases and transfers to the Debt Service Fund for bond payments.

Additional loans will occur between funds to mitigate the effects of cash flow, such as in the Special Aid Fund wherein project advances generally do not keep pace with costs and the General Fund has to "loan" cash dollars to run the programs. In the case of the Capital Fund, loans will occur in advance of obtaining the final funding through bond proceeds. In addition, in the case of the Capital Fund, interest earned in borrowed funds becomes payable to the Debt Service Fund for the future reduction of debt service payments.

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

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

VI. CAPITAL AND INTANGIBLE ASSETS:

Capital asset balances and activity for the year ended June 30, 2026 were as follows:

	Beginning Balance	Increases	Disposals	Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,179,121	$ -	$ -	$ -	$ 1,179,121
Construction in Progress	4,746,994	15,484,398	-	-	20,231,392
Total capital assets, not being depreciated	5,926,115	15,484,398	-	-	21,410,513
Capital assets, being depreciated:					
Buildings and Improvements	100,884,398	-	-	-	100,884,398
Furniture and Equipment	7,613,472	606,632	-	-	8,220,104
Total capital assets being depreciated	108,497,870	606,632	-	-	109,104,502
Accumulated depreciation for:					
Buildings and Improvements	(43,113,564)	(2,043,370)	-	-	(45,156,934)
Furniture and Equipment	(6,032,278)	(532,855)	-	-	(6,565,133)
Total accumulated depreciation	(49,145,842)	(2,576,225)	-	-	(51,722,067)
Total capital assets, being depreciated, net	59,352,028	(1,969,593)	-	-	57,382,435
Governmental activities capital assets, net	65,278,143	13,514,805	-	-	78,792,948
Intangible Right-To-Use Assets					
Leased - Equipment	228,989	-	-	-	228,989
Less Accumulated Amortization	(60,566)	(46,614)	-	-	(107,180)
Total Intangible Right-To-Use Assets, net	168,423	(46,614)	-	-	121,809
Total	$ 65,446,566	$ 13,468,191	$ -	$ -	$ 78,914,757

Governmental Activities:			
General Government	$ 2,258,521	General Government	$ 46,614
Instruction	88,192		
Cost of Food	17,029	Total Amortization Expense	$ 46,614
Transportation	212,483		
Total Depreciation Expense	$ 2,576,225		

VII. BOND ANTICIPATION NOTES

State law provides for the issuance of various types of short-term debt, including bond anticipation notes ("BANs"), capital notes, tax anticipation notes ("TANS") and revenue anticipation notes ("RANs"). Bond anticipation notes are generally issued for capital purposes but can be issued for any purpose of which there is a period of probable usefulness. BANs must be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of permanent financing, provided that stipulated annual reductions of the principal are made. Capital notes are issued for capital improvements but are subject to a five-year renewal limit. Tax and revenue anticipation notes are issued in anticipation of the receipt of specific revenues, are limited to one-year maturities, and have limited renewal periods.

Type/Purpose	Date of Final Maturity	Interest Rate	Balance 7/1/2025	New Issue	Payments	Balance 6/30/2026	Due Within One Year
Bond Anticipation Notes							
District-Wide Renovations and Improvements	06/02/27	4.00%	$ -	$49,562,837	$ -	$49,562,837	$49,562,837
Total Bond Anticipation Notes			$ -	$49,562,837	$ -	$49,562,837	$49,562,837

For the year ended June 30, 2026, the District issued a Bond Anticipation Note and received a bond premium of $747,924. The premium represents the amount received in excess of the note's face value and is recorded in accordance with applicable accounting requirements.

VIII. LONG-TERM DEBT:

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

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as with 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. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

Serial Bonds

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are backed by the full faith and credit of the local government. The provisions will be in the General Fund’s future budgets for capital indebtedness.

Installment Purchase Debt

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future users receiving the benefit of the capital assets. These long-term liabilities are backed by the full faith and credit of the local government. The provisions will be in the General Fund’s future budgets for capital indebtedness.

Intangible Right-to-Use Liabilities

In July 2019, the District entered into a lease agreement for 1 postage machine in the amount of $25,141. The right-of-use asset is being amortized over a period of 60 months. For purposes of discounting future payments on the 2019 lease, the District used the interest rate (0.3%) on its financing agreements to determine an appropriate discount rate. An annual payment in the amount of $5,028 is due, plus additional charges for excess usage and excluding applicable taxes.

In February 2019, November 2019, and March 2022 the District entered into lease agreements for a total of 17 copiers in the amount of $219,990. The right-of-use assets are being amortized over a period of 60 months. For purposes of discounting future payments on the leases, the District used the interest rate (0.3%) on its financing agreements to determine an appropriate discount rate. An annual payment in the amount of $43,998 is due.

The leased equipment and accumulated amortization of the intangible right-to-use lease assets are reported in Note VI.

VIII. LONG-TERM DEBT - CONTINUED

Interest on debt for the year was composed of:

Interest Paid	$ 1,415,991
Less: Interest accrued - prior year	(233,836)
Less: Bond Premium Amortization	(94,095)
Plus: Interest accrued - current year	343,038
	$ 1,431,098

Noncurrent liability balances and activity are as follows:

Governmental Activities	Beginning Balance	Issued/ Earned	Redeemed/ Paid	Ending Balance	Current Portion
Serial Bonds	$ 17,300,000	$ -	$ (1,950,000)	$ 15,350,000	$2,005,000
Bonds Premium	926,837	-	(94,095)	832,742	94,095
Installment Purchase Debt	637,017	319,213	(285,300)	670,930	239,868
Lease Liability	168,423	-	(46,614)	121,809	44,267
Other liabilities:					
Compensated Absences Payable	23,185,851	987,996	-	24,173,847	2,417,385
ERS Pension Liability	2,221,200	-	(1,488,849)	732,351	-
Other Postemployment Benefits	79,168,137	-	(10,244,656)	68,923,481	1,128,725
Total long-term liabilities	$123,607,465	$ 1,307,209	$(14,109,514)	$ 110,805,160	$5,929,340

Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined.

The following is a summary of maturing debt service requirements for serial bonds:

	Principal	Interest	Total
2027	$ 2,005,000	$ 627,328	$ 2,632,328
2028	2,070,000	577,794	2,647,794
2029	2,140,000	524,987	2,664,987
2030	2,210,000	467,619	2,677,619
2031	2,275,000	401,294	2,676,294
2032-2036	4,115,000	1,499,919	5,614,919
2037-2038	535,000	548,080	1,083,080
Total	$15,350,000	$ 4,647,021	$ 19,997,021

The following is a summary of maturing debt service requirements for installment purchase debt:

	Principal	Interest	Total
2027	$ 239,868	$ 39,172	$ 279,040
2028	210,646	25,041	235,687
2029	153,919	12,117	166,036
2030	66,497	2,888	69,385
Total	$ 670,930	$ 79,218	$ 750,148

The following is a summary of maturing intangible right-to-use liabilities:

	Principal	Interest	Total
2027	$ 44,267	$ 3,464	$ 47,731
2028	37,220	2,326	39,546
2029	37,220	1,210	38,430
2030	3,102	93	3,195
Total	$ 121,809	$ 7,093	$ 128,902

IX. PENSION PLANS

Plan Description

The 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 District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.usretire/about us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

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

Plan Year Ended	ERS	TRS
2026	$ 873,023	$ 3,679,541
2025	$ 780,316	$ 3,736,289
2024	$ 648,663	$ 3,488,266

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

	ERS	TRS
Measurement Date	March 31, 2026	June 30, 2025
Net Pension (asset)/liability	$ 732,351	$ (11,144,425)
School District's proportion of the net pension liability	0.01298090%	0.18821700%

IX. PENSION PLANS – CONTINUED

The net pension (asset)/liability was measured as of March 31, 2026 for ERS and June 30, 2025 for TRS and the total pension (asset)/liability used to calculate the net pension (asset)/liability was determined by actuarial valuations as of April 1, 2025 and June 30, 2024, respectively. The District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The District's proportion of the net pension asset for TRS was based on the District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2026, the District recognized pension expense in the district-wide financial statements of $227,383 ($877,533 for ERS and $(650,150) for TRS). Pension expenditures of $4,511,971 ($858,095 for ERS and $3,653,876 for TRS) were recorded in the fund financial statements and was charged to the General Fund.

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

	Deferred Outflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	$ 419,094	$ 5,842,163	$ 6,261,257
Changes of assumptions	125,712	4,411,731	4,537,443
Changes in proportion and difference between the District's contributions and proportionate share of contributions	283,556	68,217	351,773
School District's contributions subsequent to the measurement date	272,539	3,653,876	3,926,415
Total	$ 1,100,901	$ 13,975,987	$ 15,076,888

	Deferred Inflows of Resources		
	ERS	TRS	Total
Changes of assumptions	$ -	$ 120,155	$ 120,155
Net difference between projected and actual earnings on pension plan investments	1,313,145	8,703,768	10,016,913
Changes in proportion and difference between the District's contributions and proportionate share of contributions	114,430	70,256	184,686
Total	$ 1,427,575	$ 8,894,179	$ 10,321,754

IX. PENSION PLANS - CONTINUED

Deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset)/liability in the year ended June 30, 2027. 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:	ERS	TRS
2026	$ -	$ 5,624,263
2027	342,838	(2,356,682)
2028	(433,488)	(2,501,180)
2029	(245,768)	(512,220)
2030	(262,795)	968,357
Thereafter	-	205,394
Total	$ (599,213)	$ 1,427,932

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

	ERS	TRS
Measurement Date	March 31, 2026	June 30, 2025
Investment Rate of Return	5.90% compounded annually net of investment expense	6.95% compounded annually net of investment expense
Projected Salary Increases	5.20%	2.04%-5.80%
Cost of Living Adjustments	1.5% annually	1.4% annually
Decrement Tables	April 1, 2020 - March 31, 2025 System's Experience Study	July 1, 2019 - June 30, 2024 System's Experience Study
Inflation Rate	2.90%	2.50%
Mortality Improvement	Society of Actuaries Scale MP - 2021	Society of Actuaries Scale MP - 2021

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 weighing 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.

IX. PENSION PLANS - CONTINUED

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocations are summarized below:

	ERS		TRS	
Measurement Date	March 31, 2026		June 30, 2025	
	Target allocation	Long-term expected real rate of return	Target allocation	Long-term expected real rate of return
Asset Class:				
Domestic Equity	25%	3.29%	33%	6.70%
International Equity	14%	5.85%	15%	7.40%
Private Equity	15%	7.00%	9%	9.80%
Real Estate Equity	12%	5.20%	11%	6.50%
Domestic Fixed Income	0%	0.00%	16%	2.60%
Global Bonds	0%	0.00%	2%	2.40%
High Yield Bonds	0%	0.00%	1%	4.70%
Global Equity	0%	0.00%	4%	7.00%
Private Debt	0%	0.00%	2%	6.10%
Real Estate Debt	0%	0.00%	6%	3.80%
Opportunistic/Absolute Return Strategy	3%	5.13%	0%	0.00%
Credit	4%	5.10%	0%	0.00%
Real Assets	4%	5.54%	0%	0.00%
Fixed Income	22%	1.75%	0%	0.00%
Cash Equivalents	1%	0.25%	1%	0.60%
Total	100%		100%	

The discount rate used to calculate the total pension (asset)/liability was 5.90% 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 (asset)/liability.

The following presents the District's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.90% for ERS and 5.95% for TRS) or 1 percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension (Asset)/Liability	$ 5,001,754	$ 732,351	$ (2,837,060)

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's Proportionate Share of the Net Pension (Asset)/Liability	$ 21,414,153	$ (11,144,425)	$ (38,540,774)

IX. PENSION PLANS - CONTINUED

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

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2026	June 30, 2025
Employers' total pension liability	$ 253,773,040	$ 148,272,069
Plan net position	248,131,290	154,193,125
Employers' net pension (asset)/liability	$ 5,641,750	$ (5,921,056)
Ratio of plan net position to the employers' total pension (asset)/liability	97.78%	104.00%

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 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 $272,539 to ERS and $4,374,745 to TRS and were recorded in the General Fund.

X. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS ("OPEB")

Plan Description

The 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 District may vary according to length of service. The cost of providing post-employment health care benefits is shared between the District and the retired employee as noted below. Substantially all of the District's employees may become eligible for those benefits if they reach normal retirement age while working for the 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 July 1, 2024, the following employees were covered by the benefit terms:

Active Employees	410
Retirees	180
Spouses of Beneficiaries	70
Total Employees Covered by Benefit Terms	660

The District's total OPEB liability of $68,923,481 was measured as of June 30, 2025, and was determined by an actuarial valuation dated July 1, 2024.

X. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS ("OPEB") - CONTINUED

The total OPEB liability as of the June 30, 2025 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.90%
Projected Salary Increases, Including Wage Inflation	4% Average (Varies by years of service and retirement system)
Discount Rate	5.20%
Healthcare Cost Trend Rates	7.98% decreasing to 4.5% over 55 years
Retiree's Share of Benefit Related Costs	Varies depending on age, date of retirement and bargaining unit

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

Mortality rates were based on the PUB-2016 Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale MP-2021 Ultimate Scale.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 through 2022.

A summary of the changes in the District's OPEB plan liability is as follows:

	Year Ended June 30, 2026
Service Cost	$ 3,727,336
Interest	3,235,826
Difference Between Expected and Actual Experience	(416,063)
Change in Assumptions or Other Inputs	(15,663,030)
Benefit Payments	(1,128,725)
Net Change in Total OPEB Liability	(10,244,656)
Total OPEB Liability - Beginning	79,168,137
Total OPEB Liability - Ending	68,923,481
Current Portion	1,128,725
Long-Term Portion	$ 67,794,756

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

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

	1% Decrease 4.20%	Discount Rate 5.20%	1% Increase 6.20%
Total OPEB Liability	$ 81,085,936	$ 68,923,481	$ 59,220,649

X. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS ("OPEB") - CONTINUED

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 57,597,586	$ 68,923,481	$ 83,577,706

For the year ended June 30, 2026, the District recognized additional OPEB expense of $2,291,543 in the district-wide financial statements. At June 30, 2026, the 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	$ 1,263,186	$ 836,654
Changes of Assumptions or other inputs	10,571,118	26,133,998
Deferred Outflow of Resources for Contributions Made After Measurement Date	1,145,802	-
Total	$ 12,980,106	$ 26,970,652

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

Year Ending June 30,	Amount
2027	$ (1,850,142)
2028	(2,152,452)
2029	(2,869,296)
2030	(3,401,408)
2031	(1,686,451)
Thereafter	(3,176,599)
Total	$ (15,136,348)

XI. RISK MANAGEMENT

The District and other school districts (the "subscribers") have formed a reciprocal insurance company (the "Company")to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal program.

The reciprocal program is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote.

The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution. Based on prior years, the District's administration believes shortfalls, if any, will be immaterial.

The District purchases various insurance coverages from the Company to reduce its exposure to loss. The District maintains a general liability insurance policy with coverage up to $1 million. The District maintains liability coverage for school board members up to $1 million. The District also maintains an excess catastrophe liability 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 District and neighboring school districts in Southern Westchester County participate in the Statewide 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 District has transferred all related risk to the Plan.

The District and neighboring school districts in Southern Westchester County participate in the South 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 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 District has transferred all related risk to the Plan. Financial statements for the Plan are available from the administrator at 17 Berkley Drive, Rye Brook, New York 10573.

XII. CONTINGENCIES AND COMMITMENTS

Litigation

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the 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.

Additionally, the District has various cases pending; legal counsel has been appointed to handle these cases and are being vigorously defended. Any future obligations related to such cases are undetermined.

Other

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

XIII. PROPERTY TAX ABATEMENTS

The District is party to 2 real property tax abatement agreements under Article 18-A of the real property law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes ("PILOT") in compliance with RPTL 412-A, Article V & XI of the Private Housing Finance Law and Title I of Article 18-A of NYS GML Exemption Policy.

The following provides information related to the PILOT agreements in effect for the year ended June 30, 2026:

Start Date	Agreement	Total Assessed Value	Tax Rate	Tax Value	Pilot Received	Taxes Abated
2008	Ardsley Housing Development Fund Corp.	$ 808,700	19.8400%	$ 16,045	$ 3,988	$ 12,057
1965	Greenburgh Housing Authority	3,955,000	19.8400%	78,467	19,586	58,881
		$ 4,763,700		$ 94,512	$ 23,574	$ 70,938

XIV. ADOPTION OF CHANGE IN ACCOUNTING PRINCIPLE:

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The statement addresses application issues related to Management's Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Proprietary Fund, Major Component Unit, and Budgetary Comparison Information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The District adopted as of July 1, 2025.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets.* This statement requires leases, intangible right-to-use assets, and subscription based information technology arrangements to be disclosed separately in the capital assets note disclosure. Additionally, this statement mandates the separate disclosure of all other intangible assets by major class, excluding the aforementioned types. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The District adopted as of July 1, 2025.

XV.NEW ACCOUNTING STANDARDS

In December 2025, GASB issued statement No. 105, *Subsequent Events*. This statement addresses inconsistencies in how governments evaluate and report events that happen after their fiscal year-end. The requirements of this statement are effective for fiscal years beginning after June 15, 2026.

Management has not estimated the potential impact of this statement, if any, on the District's financial statement.

REQUIRED SUPPLEMENTARY INFORMATION

ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS

Total OPEB Liability	6/30/26	6/30/25	6/30/24	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18
Service Cost	$ 3,727,336	$ 2,914,289	$ 2,894,030	$ 4,443,458	$ 3,779,118	$ 2,819,606	$ 2,426,891	$ 2,300,239	$ 2,849,557
Interest	3,235,826	2,447,264	2,278,023	1,800,825	1,648,130	2,184,649	2,091,841	2,277,457	2,016,455
Change of Benefit Terms	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(416,063)	1,133,771	(257,289)	(439,033)	(151,684)	1,476,487	(134,983)	(574,873)	-
Changes in Assumptions or Other Inputs	(15,663,030)	9,075,616	(1,263,354)	(22,357,516)	3,739,834	5,666,136	4,083,886	(13,069,906)	(10,710,056)
Benefit Payments	(1,128,725)	(1,064,148)	(886,233)	(954,176)	(814,886)	(725,534)	(619,579)	(626,695)	(859,393)
Net Change in Total OPEB Liability	(10,244,656)	14,506,792	2,765,177	(17,506,442)	8,200,512	11,421,344	7,848,056	(9,693,778)	(6,703,437)
Total OPEB Liability - Beginning	79,168,137	64,661,345	61,896,168	79,402,610	71,202,098	59,780,754	51,932,698	61,626,476	68,329,913
Total OPEB Liability - Ending (a)	$ 68,923,481	$ 79,168,137	$ 64,661,345	$ 61,896,168	$ 79,402,610	$ 71,202,098	$ 59,780,754	$ 51,932,698	$ 61,626,476
Plan Fiduciary Net Position									
Contributions - Employer	$ 1,128,725	$ 1,064,148	$ 886,233	$ 954,176	$ 814,886	$ 725,534	$ 619,579	$ 626,695	$ 859,393
Benefit Payments	(1,128,725)	(1,064,148)	(886,233)	(954,176)	(814,886)	(725,534)	(619,579)	(626,695)	(859,393)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Net OPEB Liability - Ending (a) - (b)	$ 68,923,481	$ 79,168,137	$ 64,661,345	$ 61,896,168	$ 79,402,610	$ 71,202,098	$ 59,780,754	$ 51,932,698	$ 61,626,476
Plan Fiduciary Net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%	0%	0%	0%
Covered Payroll	$ 39,948,213	$ 39,088,786	$ 38,580,859	$ 35,551,846	$ 35,922,564	$ 34,107,554	$ 31,867,495	$ 31,471,605	$ 29,399,228
Total OPEB Liability as a percentage of covered payroll	172.53%	202.53%	167.60%	174.10%	221.04%	208.76%	187.59%	165.01%	209.62%
Notes to Schedule:									
Changes in Assumptions:									
Changes in Assumptions and other inputs reflect the effects of changes in the discount rate each period.									
The following are the discount rates used in each period:	5.20%	3.93%	3.65%	3.54%	2.16%	2.21%	3.51%	3.87%	3.58%

GASB 75 requires that the past 10 years of information be presented. Due to the fact that 2018 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY AND RELATED RATIOS

Plan Year Ended	Proportion of the Net Pension (Asset)/Liability	Proportionate Share of the Net Pension (Asset)/Liability	Actual Covered Member Payroll	Net Pension (Asset)/Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Teachers' Retirement System					
6/30/2025	0.188217%	$ (11,144,425)	$ 37,438,082	(29.77%)	104.00%
6/30/2024	0.187186%	$ (5,584,897)	$ 35,862,389	(15.57%)	102.09%
6/30/2023	0.187508%	$ 2,144,314	$ 34,897,007	6.14%	99.17%
6/30/2022	0.188919%	$ 3,625,150	$ 33,815,677	10.72%	98.60%
6/30/2021	0.189124%	$ (32,773,404)	$ 32,624,488	(100.46%)	113.25%
6/30/2020	0.190306%	$ 5,258,673	$ 32,921,934	15.97%	97.80%
6/30/2019	0.187134%	$ 4,861,765	$ 31,929,426	15.23%	102.20%
6/30/2018	0.183277%	$ 3,314,125	$ 30,441,611	10.89%	101.53%
6/30/2017	0.181253%	$ 1,377,702	$ 29,399,893	4.69%	100.66%
6/30/2016	0.181005%	$ (1,938,635)	$ 28,580,679	(6.78%)	99.01%

Plan Year Ended	Proportion of the Net Pension (Asset)/Liability	Proportionate Share of the Net Pension (Asset)/Liability	Actual Covered Member Payroll	Net Pension (Asset)/Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Employees' Retirement System					
3/31/2026	0.0129809%	$ 732,351	$ 5,637,102	12.99%	97.78%
3/31/2025	0.0129548%	$ 2,221,200	$ 5,623,738	39.50%	93.08%
3/31/2024	0.0145430%	$ 2,141,316	$ 5,476,388	39.10%	93.88%
3/31/2023	0.0144157%	$ 3,091,308	$ 5,351,866	57.76%	90.78%
3/31/2022	0.0138732%	$ (1,134,078)	$ 5,089,208	(22.28%)	103.65%
3/31/2021	0.0139066%	$ 13,847	$ 4,966,090	0.28%	99.95%
3/31/2020	0.0156671%	$ 4,148,751	$ 5,249,408	79.03%	86.39%
3/31/2019	0.0142828%	$ 1,050,627	$ 5,367,705	19.57%	96.27%
3/31/2018	0.0153755%	$ 496,235	$ 4,963,304	10.00%	98.24%
3/31/2017	0.0159108%	$ 1,495,019	$ 4,896,216	30.53%	94.70%

ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (deficiency) excess	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
Teachers' Retirement System					
6/30/2026	$ 3,679,541	$ 3,679,541	$ -	$ 38,788,441	9.49%
6/30/2025	$ 3,736,289	$ 3,736,289	$ -	$ 37,438,082	9.98%
6/30/2024	$ 3,488,266	$ 3,488,266	$ -	$ 35,862,389	9.73%
6/30/2023	$ 3,563,541	$ 3,563,541	$ -	$ 34,897,007	10.21%
6/30/2022	$ 3,279,816	$ 3,279,816	$ -	$ 33,815,677	9.70%
6/30/2021	$ 3,059,171	$ 3,059,171	$ -	$ 32,624,488	9.38%
6/30/2020	$ 2,861,867	$ 2,861,867	$ -	$ 32,921,934	8.69%
6/30/2019	$ 3,317,239	$ 3,317,239	$ -	$ 31,929,426	10.39%
6/30/2018	$ 2,925,664	$ 2,925,664	$ -	$ 30,441,611	9.61%
6/30/2017	$ 3,366,291	$ 3,366,291	$ -	$ 29,399,893	11.45%

Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (deficiency) excess	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
Employees' Retirement System					
6/30/2026	$ 873,023	$ 873,023	$ -	$ 5,608,176	15.57%
6/30/2025	$ 780,316	$ 780,316	$ -	$ 5,637,087	13.84%
6/30/2024	$ 648,663	$ 648,663	$ -	$ 5,550,649	11.69%
6/30/2023	$ 541,287	$ 541,287	$ -	$ 5,395,249	10.03%
6/30/2022	$ 773,750	$ 773,750	$ -	$ 5,171,901	14.96%
6/30/2021	$ 737,357	$ 737,357	$ -	$ 4,966,090	14.85%
6/30/2020	$ 721,706	$ 721,706	$ -	$ 5,249,408	13.75%
6/30/2019	$ 692,457	$ 692,457	$ -	$ 5,297,689	13.07%
6/30/2018	$ 702,902	$ 702,902	$ -	$ 4,963,304	14.16%
6/30/2017	$ 703,756	$ 703,756	$ -	$ 4,896,216	14.37%

ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Original Budget - over (under)	Actual Amounts	Year End	Variance with Final Budget - over (under)
	Original	Final	Final Budget	GAAP Basis	Encumbrances	Actual & Encumbrances
Revenues:						
Real Property Taxes	$ 64,800,000	$ 63,118,839	$ (1,681,161)	$ 63,118,839	$ -	$ -
Other Tax Items	19,845	1,701,006	1,681,161	1,704,735	-	3,729
Non-Property Taxes	975,000	975,000	-	1,262,761	-	287,761
Charges for Services	2,231,805	2,231,805	-	2,872,946	-	641,141
Use of Money and Property	657,635	657,635	-	1,568,516	-	910,881
Sale of Property and Compensation for Loss	-	119,754	119,754	148,505	-	28,751
Miscellaneous	180,000	233,666	53,666	79,618	-	(154,048)
State Aid	13,741,454	13,741,454	-	14,062,421	-	320,967
Medicaid Reimbursement	15,000	15,000	-	22,232	-	7,232
Federal Aid	-	-	-	12,481	-	12,481
Total Revenues	82,620,739	82,794,159	173,420	84,853,054	-	2,058,895
Expenditures:						
General Support						
Board of Education	93,476	92,592	(884)	82,630	-	9,962
Central Administration	396,306	419,057	22,751	417,670	-	1,387
Finance	1,135,498	1,243,969	108,471	1,122,678	83,038	38,253
Staff	364,000	382,625	18,625	299,056	17,908	65,661
Central Services	5,539,759	5,967,024	427,265	5,569,041	211,555	186,428
Special Items	927,703	1,123,891	196,188	1,121,306	-	2,585
Total General Support	8,456,742	9,229,158	772,416	8,612,381	312,501	304,276
Instruction						
Administration and Improvement	2,104,177	2,134,008	29,831	2,081,504	125	52,379
Teaching - Regular School	25,522,344	25,595,460	73,116	25,232,860	59,208	303,392
Programs for Students with Disabilities	13,495,969	13,343,243	(152,726)	12,532,109	212,519	598,615
Instructional Media	2,783,125	3,029,260	246,135	2,830,690	59,179	139,391
Pupil Services	5,112,275	5,304,954	192,679	5,102,235	535	202,184
Total Instruction	49,017,890	49,406,925	389,035	47,779,398	331,566	1,295,961
Pupil Transportation	3,388,060	3,403,142	15,082	3,074,276	24,454	304,412
Community Service	683,250	700,790	17,540	654,313	-	46,477
Employee Benefits	19,867,788	19,641,561	(226,227)	18,854,125	107,681	679,755
Total Expenditures	81,413,730	82,381,576	967,846	78,974,493	776,202	2,630,881
Excess/(Deficiency) of Revenues Over Expenditures	1,207,009	412,583	(794,426)	5,878,561	(776,202)	4,689,776
Other Financing (Uses):						
Operating Transfers Out	(4,220,098)	(9,403,028)	(5,182,930)	(9,297,468)	-	105,560
Total Other Financing Sources/(Uses)	(4,220,098)	(9,403,028)	(5,182,930)	(9,297,468)	-	105,560
Net Change in Fund Balance	(3,013,089)	(8,990,445)	(5,977,356)	(3,418,907)	(776,202)	4,795,336
Budgetary fund balance - beginning of period	26,441,993	26,441,993		26,441,993		-
Budgetary fund balance - end of period	$ 23,428,904	$ 17,451,548		$ 23,023,086		$ 4,795,336
Reconciliation to GAAP Basis						
Total fund balance GAAP basis				$ 23,023,086		

ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund over / (under)
BUDGETARY REVENUES	
Differences-original budget to final budget:	
Miscellaneous The District receives donations from various foundations/parent organizations throughout the school year.	$ 53,666
Differences-final budget to actual:	
Charges for Services The District receives revenue from sharing transportation routes on district owned buses, these funds offset expenditures to employ drivers, fuel, maintenance, insurance and other related costs.	$ 641,141
Use of Money and Property Actual amounts of interest revenue exceed budgeted amount as the District saw higher interest rates than expected.	$ 910,881
Sale of Property and Compensation for Loss The District received insurance proceeds from storm damage which was transferred to the capital fund.	$ 28,751
BUDGETARY EXPENDITURES	
Differences-original budget to final budget:	(over) / under
Central Services The District experienced higher energy costs and custodial overtime due to significant winter storms and rising energy prices.	$ 427,265
Special Items The District appropriates tax certiorari reserves to pay settled claims.	$ 196,188
Differences-final budget to actual:	
Programs for Students with Disabilities Changes to out of district placements resulted in less tuition costs.	$ 598,615
BUDGETARY OTHER FINANCING (USES)	
Differences-original budget to final budget:	
Operating Transfers Out In May 2026, voters approved a $5,000,000 capital project funded with the capital reserve.	$ (5,182,930)
Differences-final budget to actual:	
Operating Transfers Out The sale of a second BAN in Fall resulted in more favorable net interest cost.	$ 105,560

SUPPLEMENTARY INFORMATION

ARDSLEY UNION FREE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
JUNE 30, 2026

	Special Aid Fund	Cafeteria Fund	Debt Service Fund	Miscellaneous Special Revenue Fund	Total Non-Major Funds
ASSETS					
Cash and Cash Equivalents	$ 19,752	$ 195,613	$ -	$ 91,440	$ 306,805
Restricted Cash	-	-	750,038	-	750,038
Due from Other Funds	-	280,569	1,702,571	-	1,983,140
State and Federal Aid Receivable	921,112	176,027	-	-	1,097,139
Due from Other Governments	-	-	-	-	-
Accounts Receivable, Net	24,585	-	-	-	24,585
Total Assets	$ 965,449	$ 652,209	$ 2,452,609	$ 91,440	4,161,707
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 17,265	$ 94,264	$ -	$ -	$ 111,529
Accrued Liabilities	1,995	4,244	-	-	6,239
Unearned Revenues	-	229,686	-	-	229,686
Due to Other Funds	946,189	-	-	-	946,189
Due to Other Governments	-	141	-	-	141
Total Liabilities	965,449	328,335	-	-	1,293,784
Fund Balances:					
Restricted	-	-	2,452,609	-	2,452,609
Assigned	-	323,874	-	91,440	415,314
Total Fund Balances	-	323,874	2,452,609	91,440	2,867,923
Total Liabilities and Fund Balances	$ 965,449	$ 652,209	$ 2,452,609	$ 91,440	$ 4,161,707

ARDSLEY UNION FREE SCHOOL DISTRICT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Special Aid Fund	Cafeteria Fund	Debt Service Fund	Miscellaneous Special Revenue Fund	Total Non-Major Funds
Revenues:					
Use of Money and Property	$ -	$ 2,615	$ 774,230	$ -	$ 776,845
Miscellaneous	-	-	-	5,102	5,102
State Aid	613,376	757,122	-	-	1,370,498
Federal Aid	686,641	210,769	-	-	897,410
Surplus Food	-	66,246	-	-	66,246
Food Sales	-	250,986	-	-	250,986
Total Revenues	1,300,017	1,287,738	774,230	5,102	3,367,087
Expenditures:					
Instruction	1,338,406	-	-	5,700	1,344,106
Pupil Transportation	68,427	-	-	-	68,427
Employee Benefits	164,250	-	-	-	164,250
Debt Service Principal	-	-	2,235,300	-	2,235,300
Debt Service Interest	-	-	1,415,991	-	1,415,991
Cost of Food Sales	-	1,274,172	-	-	1,274,172
Total Expenditures	1,571,083	1,274,172	3,651,291	5,700	6,502,246
Excess/(Deficiency) of Revenues Over Expenditures	(271,066)	13,566	(2,877,061)	(598)	(3,135,159)
Other Financing Sources/(Uses):					
Premium on Issuance of BAN	-	-	747,924	-	747,924
Operating Transfers In	271,066	-	3,531,343	-	3,802,409
Total Other Financing Sources/(Uses)	271,066	-	4,279,267	-	4,550,333
Change in Fund Balances	-	13,566	1,402,206	(598)	1,415,174
Fund Balances - Beginning	-	310,308	1,050,403	92,038	1,452,749
Fund Balances - Ending	$ -	$ 323,874	$ 2,452,609	$ 91,440	$ 2,867,923

ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2026

	Fiscal Year of Issue	Fiscal Year of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Refinanced During Fiscal Year	Outstanding End of Fiscal Year	Amount of Interest Paid During Fiscal Year	Amount of Interest Accrued at 6/30/2026	Due Within the Next Year
BOND ANTICIPATION NOTE											
District-Wide Renovations and Improvements	2025	2026	4.00%	$ 11,052,000	$ -	$ -	$ 11,052,000	$ -	$ 793,630	$ -	$ -
District-Wide Renovations and Improvements	2026	2027	4.00%	-	49,562,837	-	-	49,562,837	-	165,209	49,562,837
TOTAL BOND ANTICIPATION NOTE				11,052,000	49,562,837	-	11,052,000	49,562,837	793,630	165,209	49,562,837
LEASE LIABILITY											
Leases	2019	2030	Various	168,423	-	46,614	-	121,809	-	-	44,267
TOTAL LEASE LIABILITY				168,423	-	46,614	-	121,809	-	-	44,267
INSTALLMENT PURCHASE DEBT											
2022 Bus	2022	2026	3.13%	45,459	-	45,459	-	-	1,421	-	-
2023 Bus	2023	2027	4.77%	80,865	-	39,490	-	41,375	3,860	220	41,375
2024 Bus	2024	2028	6.48%	184,519	-	57,685	-	126,834	11,965	822	61,425
2025 Bus	2025	2029	7.16%	326,174	-	73,284	-	252,890	23,370	755	78,535
2026 Bus	2026	2029	4.34%	-	319,213	69,382	-	249,831	-	452	58,533
TOTAL INSTALLMENT PURCHASE DEBT				637,017	319,213	285,300	-	670,930	40,616	2,249	239,868
SERIAL BONDS											
School Renovations 2015	2016	2031	2.00%	5,630,000	-	880,000	-	4,750,000	138,556	48,246	905,000
School Renovations 2018	2018	2033	3.00%	3,715,000	-	420,000	-	3,295,000	111,450	8,238	430,000
School Renovations 2019	2020	2034	4.00%	5,165,000	-	490,000	-	4,675,000	206,600	94,691	505,000
School Renovations 2023	2023	2038	2.05-3.4%	2,790,000	-	160,000	-	2,630,000	125,139	24,405	165,000
TOTAL SERIAL BONDS				17,300,000	-	1,950,000	-	15,350,000	581,745	175,580	2,005,000
Bond Premium	2018	2038		926,837	-	94,095	-	832,742	-	-	94,095
BAN Premium	2026	2026		-	747,924	-	-	747,924	-	-	747,924
TOTAL PREMIUMS				926,837	747,924	94,095	-	1,580,666	-	-	842,019
TOTAL INDEBTEDNESS				$ 30,084,277	$ 50,629,974	$ 2,376,009	$ 11,052,000	$67,286,242	$1,415,991	$ 343,038	$ 52,693,991

OTHER INFORMATION

ARDSLEY UNION FREE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
YEAR ENDED JUNE 30, 2026

Adopted Budget	$ 85,633,828
Additions:	
Encumbrances and Assigned Fund Balance from Prior Year	772,541
Original Budget	86,406,369
Budget Amendments - Other	5,378,235
Final Budget	$ 91,784,604

ARDSLEY UNION FREE SCHOOL DISTRICT
GENERAL FUND
SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
YEAR ENDED JUNE 30, 2026

2026-2027 Voter-approved expenditure budget maximum allowed		$ 91,073,716
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance		
Assigned Fund Balance	$ 4,830,640	
Unassigned Fund Balance	3,642,948	
Total Unrestricted Fund Balance	8,473,588	
Less:		
Appropriated Fund Balance for 2025-26 Budget	4,054,438	
Encumbrances Included in Assigned Fund Balance	776,202	
Total Adjustments	4,830,640	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 3,642,948
Actual Percentage		4%

ARDSLEY UNION FREE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
PROJECT LENGTH SCHEDULE
INCEPTION OF PROJECT THROUGH JUNE 30, 2026

		Expenditures and Transfers to Date				Methods of Financing				
Project	Project Budget	Prior Year	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Local Sources	Interfund Transfers	Totals	Fund Balance (Deficit) at June 30, 2026
002026 CRS, Reconstr-Bldg Mgmt	$ 46,696	$ 44,513	$ 42,399	$ 86,912	$ (40,216)	$ 203,434	$ -	$ -	$ 203,434	$ 116,522
003030 AHS, Reconstr.-Bldg Mgmt	68,734	65,520	62,410	127,930	(59,196)	299,445	-	-	299,445	171,515
006030 AMS, Reconstr.-Bldg Mgmt	47,607	45,381	43,227	88,608	(41,001)	207,405	-	-	207,405	118,797
002025 Concord Road HVAC	81,975	809,029	34,382	843,411	(761,436)	-	870,000	-	870,000	26,589
003029 Ardsley HS HVAC	71,877	575,379	34,716	610,095	(538,218)	-	450,000	-	450,000	(160,095)
006029 Ardsley MS HVAC	55,554	378,771	30,943	409,714	(354,160)	-	650,000	-	650,000	240,286
007007 Admin. Bldg HVAC	3,413	24,003	-	24,003	(20,590)	-	30,000	-	30,000	5,997
006028 Ardsley MS - Pool Repair	290,534	193,666	-	193,666	96,868	-	240,924	119,754	360,678	167,012
002027 CRS Additions and Alterations	5,140,486	263,075	520,242	783,317	4,357,169	-	-	-	-	(783,317)
003031 AHS, Turf Field-Additions	7,842,600	709,630	6,383,075	7,092,705	749,895	-	3,500,000	436,163	3,936,163	(3,156,542)
003032 AHS Additions and Alterations	11,919,306	571,884	4,222,507	4,794,391	7,124,915	-	-	-	-	(4,794,391)
006031 AMS Additions and Alterations	14,789,356	551,592	3,898,458	4,450,050	10,339,306	-	-	-	-	(4,450,050)
014001 Bus Maint - New Construction	10,059,735	514,551	181,004	695,555	9,364,180	-	-	-	-	(695,555)
002028 CRS Elevator	711,071	-	31,035	31,035	680,036	-	-	-	-	(31,035)
004002 House Demolition	425,714	-	-	-	425,714		-		-	-
Buses	319,213	-	319,213	319,213	-	319,213	-	-	319,213	-
002029 CRS $5M Cap Reserve Project	1,600,000	-	-	-	1,600,000		-	1,600,000	1,600,000	1,600,000
003033 AHS $5M Cap Reserve Project	1,700,000	-	-	-	1,700,000		-	1,700,000	1,700,000	1,700,000
006032 AMS $5M Cap Reserve Project	1,700,000	-	-	-	1,700,000	-	-	1,700,000	1,700,000	1,700,000
Total	$ 56,873,871	$4,746,994	$ 15,803,611	$20,550,605	$36,323,266	$1,029,497	$5,740,924	$ 5,555,917	$12,326,338	$ (8,224,267)

ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2026

Capital Assets, net		$	78,792,948
Additions:			
Intangible Right to Use Lease Asset, Net	121,809		
			121,809
Deductions:			
Lease Payable	121,809		
Short-term Portion of Bonds Payable	2,005,000		
Long-term Portion of Bonds Payable	13,345,000		
Short-term Portion of Installment Purchase Debt	239,868		
Long-term Portion of Installment Purchase Debt	431,062		
Bond Anticipation Notes	49,562,837		
			65,705,576
Net Investment in Capital Assets		$	13,209,181

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

RBT
LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

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

Board of Education
Ardsley Union Free School District
500 Farm Road
Ardsley, NY 10502

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 Ardsley Union Free School District (the "District") as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 13, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (Internal control) to determine 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2026-001 that we consider to be a control deficiency. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

RBT CPAs, LLP

Hudson, NY

October 13, 2026

ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2026

A. Internal Control Findings

2026–001 *Extraclassroom Activity Fund: Missing and Incomplete Revenue Forms*

Condition:	During the audit, RBT noted that revenue forms for the Model UN and Senior Class were either missing or incomplete, resulting in insufficient documentation to support the collections and deposits.
Criteria:	Adequate internal controls require that revenue forms be completed accurately and retained for all Extraclassroom activity collections to document the amounts collected, provide supporting evidence, and establish accountability for funds received.
Cause:	The District did not have adequate procedures in place to ensure that revenue forms were consistently completed in full and retained for all Extraclassroom activity collections.
Effect:	Missing and incomplete revenue forms increase the risk that collections may not be properly documented, accurately recorded, or deposited in full. This also limits the District's ability to verify the completeness and accuracy of revenue collected.
Recommendation:	RBT recommends that the District reinforce its procedures to ensure revenue forms are completed accurately and in full for all Extraclassroom activity collections. All required documentation should be retained and reconciled to the amounts deposited to ensure collections are properly accounted for.

B. Compliance Findings

None Noted