

**Croton-Harmon Union Free
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2026

Croton-Harmon Union Free School District, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
District-Wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Fiduciary Fund	
Statement of Changes in Fiduciary Net Position	25
Notes to Financial Statements	26
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	55
Notes to Budgetary Comparison Schedule	56
Other Postemployment Benefits	
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	58
New York State Teachers' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	60
Schedule of Contributions	60
New York State and Local Employees' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	62
Schedule of Contributions	62
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	64
Schedule of Revenues and Other Financing Sources Compared to Budget	65
Schedule of Expenditures and Other Financing Uses Compared to Budget	66
Special Aid Fund	
Comparative Balance Sheet	69
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	70
Capital Projects Fund	
Comparative Balance Sheet	71
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	72
Project-Length Schedule	73

Croton-Harmon Union Free School District, New York

Table of Contents (Concluded)

	<u>Page No.</u>
Non-Major Governmental Funds	
Combining Balance Sheet	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	77
School Lunch Fund	
Comparative Balance Sheet	79
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	80
Miscellaneous Special Revenue Fund	
Comparative Balance Sheet	81
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	82
Debt Service Fund	
Comparative Balance Sheet	83
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	84
Supplementary Information	
Analysis of Change from Adopted Budget to Final Budget	85
Section 1318 of Real Property Tax Law Limit Calculation	85
Schedule of Net Investment in Capital Assets	86
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	87

Independent Auditors' Report

**The Board of Education of the
Croton-Harmon Union Free School District, New York**

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter - Implementation of New Accounting Standard

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

Correction of an Error

As more fully described in Note 2E to the financial statements, the School District identified and corrected an error relating to the amortization of premium on bonds. This correction resulted in the restatement of net position as of July 1, 2025. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2026 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules for the year ended June 30, 2026, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2026 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2026.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the School District as of and for the year ended June 30, 2025 (not presented herein), and have issued our report thereon dated October 9, 2025 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2025 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2025 financial statements. The information was subjected to the audit procedures applied in the audit of the 2025 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2025.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2026, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
October 7, 2026

(This page intentionally left blank)

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

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

Overview of the Financial Statements

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

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

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

- Governmental fund financial statements report the School District's governmental activities on a current-financial-resources and modified-accrual basis. Accordingly, they focus on near-term inflows and outflows of spendable resources and on the fund balances available at year end. The governmental fund statements differ from the district-wide statements because they do not report capital assets and certain long-term liabilities. Reconciliations accompanying the governmental fund statements explain the differences between the fund-level information and the governmental activities reported in the district-wide financial statements.
- Fiduciary fund financial statements report resources held for parties outside the School District. The Custodial Fund reports real property taxes collected for other governments; additions and deductions each totaled \$985,392.

Contents of the Basic Financial Statements

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

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

Types of Information in the Financial Statements

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

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

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

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

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis
June 30, 2026

Types of Information Reported in the Financial Statements

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

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

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

Financial Summary

Statement of Net Position

	June 30,		Total % Change
	2026	2025	2026-2025
ASSETS			
Current and Other Assets	\$ 35,482,328	\$ 51,795,606	(31.5%)
Net Pension Asset-Proportionate Share	6,594,602	3,241,737	103.4%
Capital Assets, net	105,440,914	93,950,108	12.2%
Total Assets	147,517,844	148,987,451	(1.0%)
DEFERRED OUTFLOWS OF RESOURCES	23,617,055	15,155,246	55.8%
LIABILITIES			
Current Liabilities	44,097,377	49,845,838	(11.5%)
Long-term Liabilities	82,881,270	74,857,806	10.7%
Total Liabilities	126,978,647	124,703,644	1.8%
DEFERRED INFLOWS OF RESOURCES	13,424,635	12,100,894	10.9%
NET POSITION			
Net Investment in Capital Assets	60,710,043	58,228,485	4.3%
Restricted	28,688,298	20,920,036	37.1%
Unrestricted	(58,666,724)	(51,810,362)	13.2%
Total Net Position	\$ 30,731,617	\$ 27,338,159	12.4%

The table above shows that as of June 30, 2026, the School District's total net position for governmental activities (assets and deferred outflows minus liabilities and deferred inflows) was \$30.7 million, an increase of \$3.4 million or 12.4% compared with 2025, including a \$1.3 million correction to opening net position.

Governmental Activities

Current assets decreased by \$16,313,278 primarily due to a \$24,067,778 decrease in cash, partly offset by a \$5,817,756 increase in investments. Capital assets increased by \$11,490,806, primarily due to ongoing capital project activity, which is discussed further in the Significant Capital Asset and Long-Term Financing Activity section in this MD&A.

Current liabilities decreased by \$5,748,461 primarily due to decreases of \$3,888,775 in accounts payable and \$1,792,829 in bond anticipation notes payable.

Deferred outflows of resources increased by \$8,461,809 primarily due to an \$8,264,551 increase in OPEB-related deferred outflows. Deferred inflows of resources increased by \$1,323,741 primarily due to a \$2,978,995 increase in pension-related deferred inflows, partly offset by a \$1,655,254 decrease in OPEB-related deferred inflows.

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

Long-term liabilities increased by \$8,023,464 from the previous year. The increase was primarily attributable to a \$13,806,365 increase in the OPEB liability, notwithstanding a \$2,027,081 decrease in compensated absences and pension-related changes, including the decrease in the ERS net pension liability in the current year. These decreases were partially offset by a \$13,806,365 increase in the OPEB liability. The School District's long-term financing activity, including the issuance of general obligation bonds and retirement of outstanding debt, is discussed further in the Significant Capital Asset and Long-Term Financing Activity section in this MD&A.

A large component of the School District's net position (\$60,710,043) reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The School District uses these capital assets to provide services to the students, and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position (\$28,688,298) reflects amounts restricted for specific purposes, i.e., payments of tax certiorari claims, capital projects, debt service, retirement contributions, etc. There is a negative balance of unrestricted net position of \$58,666,724, primarily due to the recognition of the pension and postemployment benefit liabilities.

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

Changes in Net Position

	June 30,		Total % Change
	2026	2025	2026-2025
REVENUES			
Program Revenue:			
Charges for Services	\$ 810,645	\$ 878,311	(7.7%)
Operating Grants and Contributions	2,636,554	1,611,205	63.6%
Capital Grants and Contributions	1,041,380	571,943	82.1%
Total Program Revenues	4,488,579	3,061,459	46.6%
General Revenue:			
Property Taxes and Tax Items	45,467,274	44,262,369	2.7%
Non-property tax distribution from County	1,090,625	1,025,492	6.4%
Use of Money and Property	590,831	1,076,919	(45.1%)
State Formula Aid	10,557,236	9,366,861	12.7%
Other	442,517	392,398	12.8%
Total General Revenues	58,148,483	56,124,039	3.6%
Total Revenues	62,637,062	59,185,498	5.8%
EXPENSES			
General support	10,023,740	9,039,985	10.9%
Instruction	43,226,440	42,789,848	1.0%
Pupil transportation	4,195,525	4,175,269	0.5%
Cost of food sales	1,190,854	954,172	24.8%
Other	164,828	202,775	(18.7%)
Interest	1,775,502	1,311,001	35.4%
Total Expenses	60,576,889	58,473,050	3.6%
Change in Net Position	2,060,173	712,448	189.2%
Net position - Beginning, as restated	28,671,444	26,625,711	7.7%
Net position - Ending	\$ 30,731,617	\$ 27,338,159	12.4%

The table above shows that revenues exceeded expenses in the current year, resulting in an increase in net position. The total net position of the School District's governmental activities was \$30.7 million, an increase of \$3.4 million or 12.4% from 2025. The following detailed analyses explain the significant changes in the School District's financial position and results of operations from the prior year and the primary factors that affected those changes.

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

Detailed Analyses

Governmental Activities

Revenues:

The School District's total program revenues saw an increase of \$1,427,120, general revenues increased by \$2,024,444 for a total increase of \$3,451,564. The primary drivers of these changes were:

- Operating grants and contributions increased by \$1,025,349. More than half the increase is due to an increase in participation in the school lunch program. The increased participation is from the NYS free lunch program initiated by NYS starting 2025-26. The remainder of the increase is from carry-over funds from prior years related to the IDEA 611 grant.
- Capital grants and contributions increased by \$469,437. Major items that contributed to this increase are our capital BAN premium in the Debt Service Fund, two DASNY grants received from NYS and a PTA grant in conjunction with our capital facilities project.
- Real property taxes and other tax items increased by \$1,204,905. The increase is due to the tax levy increase and PILOT received.
- Unrestricted State aid increased by \$1,190,375. The majority of the Increase is due to additional building aid realized from the completion of a large part of the capital facilities project.

Expenses:

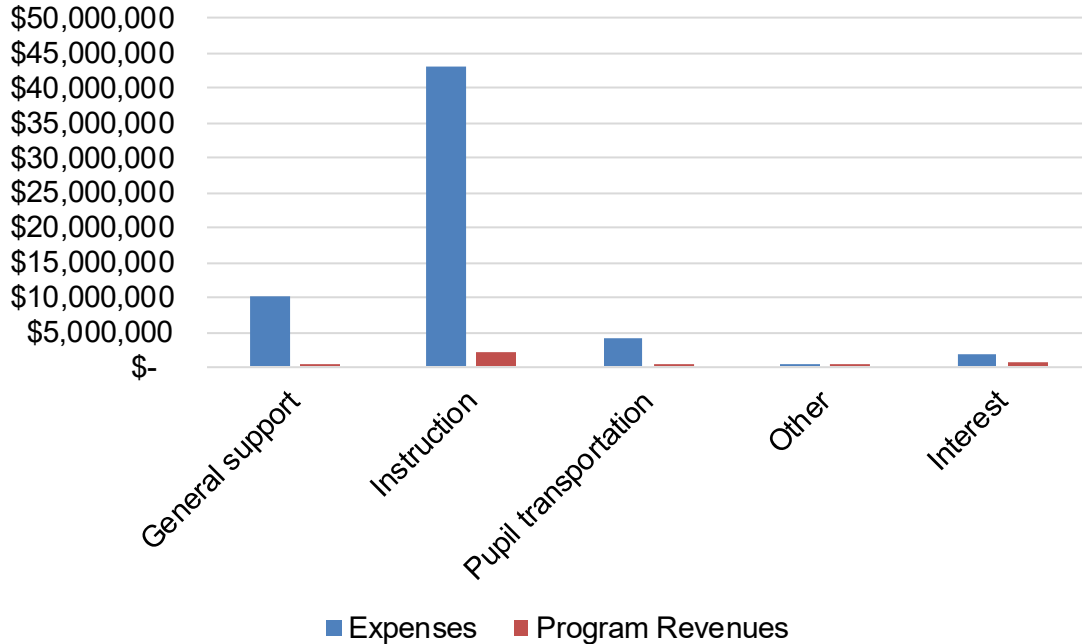
The School District's expenses increased by \$2,103,839. Major factors contributing to the increase included:

- General support increased by \$983,755. Operations & Maintenance increase represents more than half of the increase due to regular O&M projects that were held until we were closer to finishing our capital construction project. The remainder of the increase is from Administrative costs including salaries and insurance.
- Instruction increased by \$436,592. The increase is due to the District hiring four (4) additional teaching staff for 25-26 as part of its implementation of the District vision plan.
- Interest expense increased by \$464,501. The majority of the increase is due to paying an additional \$543,094 interest on our Capital BAN for 2025-26. Interest related to the District's bond was reduced by \$96,500.

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis
June 30, 2026

Governmental Activities - Expenses and Program Revenues



Governmental Funds

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

General Fund - The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2.5 million, while total fund balance increased to \$27.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 4.6% of total general fund expenditures, while total fund balance represents 49.7% of that same amount. Of the General Fund's \$27.3 million total fund balance, \$20.6 million is restricted and \$4.2 million is assigned for specific purposes. The remaining \$2.5 million is unassigned and available for general purposes, subject to applicable statutory limitations.

The fund balance of the School District's General Fund increased by \$1.9 million during the current fiscal year. Significant factors affecting the change in fund balance included the following:

- Real property tax levy increased by \$1,160,203 based on the allowable tax cap calculation.

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

- State aid increased by \$1,190,011. The majority of the increase is due to additional building aid realized from the completion of a large part of the capital facilities project.
- Charges for services increased by \$317,221 due to the addition of four special education students from other districts, resulting in an increase of approximately \$300K.

Expenses:

- Instructional expenditures increased by \$688,213 due to the addition of four instructional staff members hired during 25-26 and increased purchase of instructional supplies, materials, and furniture.
- General support expenditures increased by \$668,877. Operations & Maintenance increase represents more than half of the increase due to regular O&M projects that were paused during last year's capital construction. This work resumed in 2025-26 as we neared completion of our capital construction project.
- Debt service interest expenditures increased by \$434,031. The majority of the increase is due to paying an additional \$543,094 in interest on our Capital BAN for 2025-26. Interest related to the District's bond was reduced by \$96,500.

Special Aid Fund - Revenues and expenditures in the Special Aid Fund increased by \$38,977 and \$34,444, respectively, from the prior year. This change from the prior year was primarily attributable to a \$157,593 increase in Federal aid, partly offset by a \$70,735 decrease in State aid. Significant revenues and expenditures during the current year related to a \$48,786 increase in Instruction expenditures and a \$14,342 decrease in Pupil transportation expenditures. Activity in the fund may fluctuate from year to year based on the timing and availability of grant funding and related expenditures.

Capital Projects Fund - Fund balance in the Capital Projects Fund was a deficit of \$37.8 million at year-end, representing a decrease of \$12,729,008 from the prior year. The change was primarily attributable to capital outlay expenditures of \$15,757,639 exceeding revenues of \$225,000 and transfers in of \$2,803,631. Significant project activity during the year included capital outlay expenditures of \$15,757,639, a decrease of \$9,161,904 from the prior year. Additional information regarding capital asset and long-term financing activity is included in the Significant Capital Asset and Long-Term Financing Activity section of this MD&A.

Another reason for the decrease in fund balance for the current year was the use of short-term debt. In the case of the Capital Projects Fund, bond anticipation notes ("BANS") were issued to finance expenditures of certain capital projects. When issued, short-term BANS are reported as a liability on the balance sheet, with no effect on fund balance (i.e., proceeds = liability for debt). However, as the proceeds are spent, the related expenditures cause a decrease in fund balance. BANS in the amount of \$39.8 million remained outstanding and were reported as a liability in the Capital Projects Fund at year end, while only \$1.5 million of the proceeds remained unspent. Note 2C explains that project deficits are reduced as the notes are redeemed or converted to permanent financing.

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

Significant Capital Asset and Long-Term Financing Activity

Capital Assets - The School District's investment in capital assets for its governmental activities as of June 30, 2026, amounts to \$105.4 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, furniture and equipment, vehicles, and construction-in-progress. The total increase in capital assets for the current fiscal year was \$11.5 million.

Capital Assets

	June 30,	
	2026	2025
Land	\$ 810,100	\$ 810,100
Construction-in-progress	35,258	29,353,860
Land, Buildings and Improvements	140,615,489	96,513,990
Furniture and Equipment	1,762,918	1,792,727
Vehicles	5,361,296	4,794,279
Total	148,585,061	133,264,956
Less: Accumulated Depreciation	(43,144,147)	(39,314,848)
Net Capital Assets	<u>\$ 105,440,914</u>	<u>\$ 93,950,108</u>

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

- The majority of capital project work was completed in 2026, decreasing "construction in progress" and increasing "land, buildings and improvements".
- Vehicles increased due to the purchase of two electric 66-passenger buses and two smaller gas buses purchased during the 25-26 school year.

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

Long-term financing - At the end of the current fiscal year, the School District had total long-term financing liabilities of \$6.5 million, composed of general obligation bonds, unamortized premiums on bonds and energy performance contracts. During the current year, long-term financing liabilities decreased by \$3.7 million.

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

Long-Term Financings

	June 30,	
	2026	2025
General Obligation Bonds	\$ 3,630,000	\$ 5,320,000
Premium on Bonds	268,031	1,789,645
Energy Performance Contracts	2,581,317	3,125,523
Total	<u>\$ 6,479,348</u>	<u>\$ 10,235,168</u>

The \$3.6 million general obligation bonds are bonded debt, backed by the full faith and credit of the School District. During the current year, the School District did not issue general obligation bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the full valuation of taxable property within the jurisdiction. The current debt limitation for the School District is \$287,103,116, which is significantly more than the School District's outstanding general obligation debt which is currently approximately 1%.

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

Currently Known Facts, Decisions or Conditions

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

Enrollment:

Based on our demographic study updated for 23-24 the projections show a steady decline in enrollment through 2033.

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
K-4	591	565	571	551	555	567	588	583	578	617
5-8	504	485	520	494	494	472	473	463	457	461
9-12	512	506	488	475	484	486	509	509	478	474
Total	1,607	1,556	1,579	1,520	1,533	1,525	1,570	1,555	1,513	1,552

As the chart above from the district's demographic study reflects, over the past 10 years, the largest decline has been in grades 5–8, with enrollment dropping over 8.5%. High school enrollment has decreased by about 7.4%, while elementary (K–4) has remained the most stable, down only 4.4%. Overall, the district is projected to serve approximately 55 fewer students than in 2017-18, representing a 3.4% decrease. While the decreases have been small on an annual basis, staffing has increased due to increasing mandates and student needs in the areas of social, emotional, and academic support services.

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

Student enrollment trends directly impact both district expenses and revenue. Increases in enrollment add to costs, while constrained revenue growth limits the district's ability to respond to these changes. Conversely, decreases in enrollment reduce state aid, which, combined with the fact that the tax levy is capped at 2% growth, creates a larger budgetary gap to be addressed with limited revenue sources, since state aid and the levy are the district's primary funding sources.

Budget:

It is clear that the School District is heavily dependent upon real property taxes as it represents approximately 75% of School District budgeted revenues in 2025-2026 (inclusive of STAR).

Beginning in the 2012–2013 school year, New York State capped annual property tax levy growth at the lesser of 2% or the rate of inflation, before allowable adjustments. Since its implementation, the allowable tax levy growth has increasingly lagged behind rising operational expenditures—including salaries, benefits and service contracts—many of which are increasing at or above CPI. As costs continue to rise, the District may need to further increase allocations of fund balances and reserve funds, to balance future budgets. Additionally, non-tax revenue sources such as tuition, county sales tax, and State aid remain limited and outside of the District's control. Consequently, more and more districts are facing the need to consider exceeding the tax cap to maintain core educational programs, a possibility that underscores the importance of our ongoing long-term financial planning.

As a result, developing a fiscally responsible budget that meets student academic needs and adheres to state and federal mandates requires careful, efficient, and transparent management of District operations. Our budget planning is guided by a commitment to maximizing resources that directly impact student achievement while maintaining the long-term fiscal stability of the District.

The annual budget process is fundamentally shaped by several critical and interrelated factors:

- **Enrollment and Staffing:** Budget planning must project and respond to anticipated enrollment changes (e.g., student population growth or decline by grade level) and their direct impact on necessary staffing levels, class sizes, and facility usage.
- **Revenue Generation:** Because revenue growth drives the budget, periods of lower-than-anticipated revenue increases necessitate tighter control of expenses and the identification of non-essential spending. Key revenue sources, including local property taxes, State aid (e.g., foundation aid), and Federal grants, are thoroughly analyzed for reliability and growth projections.
- **Essential Tradeoffs:** The constraints of limited resources often require necessary tradeoffs that may impact services, staffing, and capital improvements. These decisions are made strategically to ensure that core instructional programs remain protected.
- **Compliance and Mandates:** The budget must fully fund all required expenditures for contractual obligations (e.g., employee salaries and benefits), debt service payments, and specific, non-discretionary expenses mandated by law (e.g., special education services).

Croton-Harmon Union Free School District, New York

Management's Discussion and Analysis June 30, 2026

For example, though the State has rolled back the EV mandate by five years, there is still infrastructure work to be done in order to meet the mandate. It is unknown at this time if the delay of five years will be sufficient to achieve upgrades needed for the mandate. The District will continue to work with Con Edison to achieve the needed upgrades.

Additionally, though each year's budget process stands on its own, a clear and well-articulated three-to-five-year long-range financial plan is essential to ensure efficacy and sustainability. This strategic outlook involves:

- **Fund Balance Management:** Maintaining an appropriate, policy-level unassigned fund balance (reserve) to mitigate unexpected fluctuations in revenue or unforeseen emergency expenses, thereby protecting against financial instability.
- **Capital Improvement:** Identifying and setting aside resources for planned capital projects (e.g., facility repair, technology infrastructure upgrades) to prevent the costly deferral of maintenance.
- **Contingency Planning:** Proactively developing scenarios and strategies to address potential economic downturns or changes in state funding formulas.

The 2026-2027 budget is \$62,762,808 and reflects management's current assumptions regarding State aid, the property-tax levy, enrollment, collective bargaining and staffing costs, and other operating factors. The budget includes the appropriation of \$2,716,925 of General Fund Balance and \$1,200,000 in Reserves. Additionally, the School District retained Unassigned Fund Balance at the statutory 4 percent limit. Management will monitor actual revenues and expenditures and adjust operations as conditions warrant.

Requests for Information

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

**Croton-Harmon Union Free School District
Attn: Denise Harrington-Cohen
Assistant Superintendent for Business
10 Gerstein Street, Croton-on-Hudson, NY 10520.**

Croton-Harmon Union Free School District, New York

Statement of Net Position
June 30, 2026

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 11,048,620
Investments	21,270,836
Receivables	
Accounts	17,200
State and Federal aid	2,552,573
Due from other governments	574,841
Prepaid expenses	3,200
Inventories	15,058
Net pension asset - TRS	6,594,602
Capital assets	
Not being depreciated	845,358
Being depreciated/amortized, net	104,595,556
Total Assets	<u>147,517,844</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	9,583,919
OPEB related	14,033,136
Total Deferred Outflows of Resources	<u>23,617,055</u>
LIABILITIES	
Accounts payable	1,014,220
Accrued liabilities	174,762
Bond anticipation notes payable	39,839,766
Employee payroll deductions	1,779
Deposits payable	82,683
Due to other governments	908
Due to retirement systems	2,828,540
Unearned revenues	103,857
Accrued interest payable	50,862
Non-current liabilities	
Due within one year	4,348,094
Due in more than one year	78,533,176
Total Liabilities	<u>126,978,647</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	7,186,890
OPEB related	6,237,745
Deferred Inflows of Resources	<u>13,424,635</u>
NET POSITION	
Net investment in capital assets	60,710,043
Restricted	
Capital projects	421,060
Capital improvements	10,747,556
Debt service	1,512,889
Repairs	319,532
Tax certiorari	2,040,047
Workers' compensation benefits	423,143
ERS retirement contribution	2,318,033
TRS retirement contribution	2,456,789
Net pension asset - TRS	6,594,602
Unemployment insurance	283,889
Insurance	1,365,780
Special revenues	
Extraclassroom	146,570
Other	58,408
Unrestricted	<u>(58,666,724)</u>
Total Net Position	<u>\$ 30,731,617</u>

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

Croton-Harmon Union Free School District, New York

Statement of Activities
Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 10,023,740	\$ 48,616	\$ 236,718	\$ -	\$ (9,738,406)
Instruction	43,226,440	559,624	1,282,559	225,000	(41,159,257)
Pupil transportation	4,195,525	-	78,740	-	(4,116,785)
Cost of food sales	1,190,854	202,405	858,553	-	(129,896)
Other	164,828	-	179,984	-	15,156
Interest	1,775,502	-	-	816,380	(959,122)
Total Governmental Activities	\$ 60,576,889	\$ 810,645	\$ 2,636,554	\$ 1,041,380	(56,088,310)
General revenues					
Real property taxes					43,740,411
Other tax items					
Payments in lieu of taxes					44,702
School tax relief reimbursement					1,682,161
Non-property taxes					
Non-property tax distribution from County					1,090,625
Unrestricted use of money and property					590,831
Sale of property and compensation for loss					102,858
Unrestricted State aid					10,557,236
Miscellaneous					339,659
Total General Revenues					58,148,483
Change in Net Position					2,060,173
NET POSITION					
Beginning, as reported					27,338,159
Correction of an error					1,333,285
Beginning, as restated					28,671,444
Ending					\$ 30,731,617

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

Croton-Harmon Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2026

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 7,231,935	\$ -	\$ 1,937,416
Investments	21,270,836	-	-
Receivables			
Accounts	17,200	-	-
State and Federal aid	1,728,799	566,694	114,687
Due from other governments	574,841	-	-
Due from other funds	497,556	-	-
Prepaid expenditures	3,200	-	-
Inventories	-	-	-
Total Assets	<u>\$ 31,324,367</u>	<u>\$ 566,694</u>	<u>\$ 2,052,103</u>
LIABILITIES AND FUND BALANCES (DEFICIT)			
Liabilities			
Accounts payable	\$ 888,590	\$ 42,104	\$ 1,165
Accrued liabilities	173,074	-	-
Bond anticipation notes payable	-	-	39,839,766
Employee payroll deductions	1,779	-	-
Due to other funds	-	497,556	41,635
Due to other governments	-	-	-
Due to retirement systems	2,828,540	-	-
Deposits payable	82,683	-	-
Unearned revenues	-	27,034	-
Total Liabilities	<u>3,974,666</u>	<u>566,694</u>	<u>39,882,566</u>
Fund balances (deficit)			
Nonspendable	3,200	-	-
Restricted	20,621,594	-	-
Assigned	4,214,395	-	-
Unassigned	2,510,512	-	(37,830,463)
Total Fund Balances (Deficit)	<u>27,349,701</u>	<u>-</u>	<u>(37,830,463)</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 31,324,367</u>	<u>\$ 566,694</u>	<u>\$ 2,052,103</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 1,879,269	\$ 11,048,620
-	21,270,836
-	17,200
142,393	2,552,573
-	574,841
41,635	539,191
-	3,200
15,058	15,058
<u>\$ 2,078,355</u>	<u>\$ 36,021,519</u>

\$ 82,361	\$ 1,014,220
1,688	174,762
-	39,839,766
-	1,779
-	539,191
908	908
-	2,828,540
-	82,683
76,823	103,857
<u>161,780</u>	<u>44,585,706</u>

15,058	18,258
1,717,867	22,339,461
183,650	4,398,045
-	(35,319,951)
<u>1,916,575</u>	<u>(8,564,187)</u>
<u>\$ 2,078,355</u>	<u>\$ 36,021,519</u>

(This page intentionally left blank)

Croton-Harmon Union Free School District, New York

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

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

Total Fund Balances - Governmental Funds	\$ (8,564,187)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	845,358
Capital assets - depreciable/amortizable	147,739,703
Accumulated depreciation/amortization	<u>(43,144,147)</u>
	<u>105,440,914</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	9,583,919
Deferred outflows - OPEB related	14,033,136
Deferred inflows - pension related	(7,186,890)
Deferred inflows - OPEB related	<u>(6,237,745)</u>
	<u>10,192,420</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - TRS	<u>6,594,602</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds payable	(3,630,000)
Energy performance contract payable	(2,581,317)
Compensated absences	(4,956,774)
Net pension liability - ERS	(938,887)
Total OPEB liability	(70,506,261)
Accrued interest payable	<u>(50,862)</u>
	<u>(82,664,101)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Premium on general obligation bonds	<u>(268,031)</u>
Net Position of Governmental Activities	<u>\$ 30,731,617</u>

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

Croton-Harmon Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2026

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 43,740,411	\$ -	\$ -
Other tax items	1,726,863	-	-
Non-property taxes	1,090,625	-	-
Charges for services	559,624	-	-
Use of money and property	1,254,977	-	-
Sale of property and compensation for loss	102,858	-	-
State aid	10,698,787	429,497	200,000
Federal aid	26,507	632,711	-
Food sales	-	-	-
Miscellaneous	339,659	6,260	25,000
Total Revenues	59,540,311	1,068,468	225,000
EXPENDITURES			
Current			
General support	7,934,721	-	-
Instruction	29,441,460	1,028,956	-
Pupil transportation	2,748,503	78,740	-
Employee benefits	10,692,107	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	2,234,206	-	-
Interest	1,954,805	-	-
Capital outlay	-	-	15,757,639
Total Expenditures	55,005,802	1,107,696	15,757,639
Excess (Deficiency) of Revenues Over Expenditures	4,534,509	(39,228)	(15,532,639)
OTHER FINANCING SOURCES (USES)			
Transfers in	408,492	39,228	2,803,631
Transfers out	(3,072,859)	-	-
Total Other Financing Sources (Uses)	(2,664,367)	39,228	2,803,631
Net Change in Fund Balances	1,870,142	-	(12,729,008)
FUND BALANCES (DEFICIT)			
Beginning of Year	25,479,559	-	(25,101,455)
End of Year	\$ 27,349,701	\$ -	\$ (37,830,463)

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 43,740,411
-	1,726,863
-	1,090,625
-	559,624
50,765	1,305,742
-	102,858
604,697	11,932,981
253,856	913,074
202,405	202,405
691,560	1,062,479
<u>1,803,283</u>	<u>62,637,062</u>
-	7,934,721
-	30,470,416
-	2,827,243
-	10,692,107
1,156,888	1,156,888
164,828	164,828
-	2,234,206
-	1,954,805
-	15,757,639
<u>1,321,716</u>	<u>73,192,853</u>
<u>481,567</u>	<u>(10,555,791)</u>
230,000	3,481,351
<u>(408,492)</u>	<u>(3,481,351)</u>
<u>(178,492)</u>	<u>-</u>
303,075	(10,555,791)
<u>1,613,500</u>	<u>1,991,604</u>
<u>\$ 1,916,575</u>	<u>\$ (8,564,187)</u>

Croton-Harmon Union Free School District, New York

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

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

Net Change in Fund Balances - Total Governmental Funds	\$ (10,555,791)
--	-----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital outlay expenditures	15,946,814
Depreciation expense	<u>(4,456,008)</u>
	<u>11,490,806</u>

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized on the statement of activities.

Principal paid on general obligation bonds	1,690,000
Principal paid on energy performance contract	<u>544,206</u>
	<u>2,234,206</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	137,515
Changes in pension liabilities and related deferred outflows and inflows of resources	2,460,694
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(3,886,560)
Accrued interest	(9,026)
Amortization of premium	<u>188,329</u>
	<u>(1,109,048)</u>

Change in Net Position of Governmental Activities	<u><u>\$ 2,060,173</u></u>
---	----------------------------

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

Croton-Harmon Union Free School District, New York

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

	Custodial Fund
ADDITIONS	
Real property taxes collected for other governments	\$ 985,392
DEDUCTIONS	
Payments of real property taxes to other governments	985,392
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	-
End of Year	\$ -

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

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

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

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Financial Statements

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

Fund Categories

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

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Special Revenue Funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast, lunch and milk programs of the School District.

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

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

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. The School District reports real property taxes collected on behalf of other governments in this fund.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit of at least 102% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

The School District utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

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

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices

Note 1 - Summary of Significant Accounting Policies (Continued)

in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

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

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

At June 30, 2026, the School District's investment in NYCLASS was \$21,270,836, which equaled the value of its pool shares. NYCLASS's investment policy limits the maximum remaining maturity of any individual investment to 397 days and the maximum weighted-average maturity of the portfolio to 60 days.

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

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

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either

Note 1 - Summary of Significant Accounting Policies (Continued)

uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2026.

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributable to the magnitude of the School District's investments in a single issuer. The School District's investment policy requires it to maintain a list of approved financial institutions and dealers and establish appropriate limits on investments with each. The policy also requires institutions with which the School District conducts business to be creditworthy. The Treasurer or Deputy Treasurer is responsible for evaluating their financial position and reviewing the list of proposed depositories, trading partners, and custodians at least monthly.

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

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

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

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

Inventories - Inventories in the School Lunch Fund consist of food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value, which approximates market. These inventories consist primarily of items held for consumption. The cost is

Note 1 - Summary of Significant Accounting Policies (Continued)

recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets are tangible and intangible assets, which include property, plant and equipment, and are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

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

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

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$27,034 for State and Federal aid received in advance in the Special Aid Fund and \$31,554 for student meal monies and \$45,269 for federal grant funds received in advance in the School Lunch Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The

Note 1 - Summary of Significant Accounting Policies (Continued)

financial reporting of these amounts is presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

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

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

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

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

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

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

Non-spendable 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

Note 1 - Summary of Significant Accounting Policies (Continued)

restricted for debt service obligations and for other items contained in the General Municipal Law or the Education Law of the State of New York.

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

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

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

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

F. Use of Estimates

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

G. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 7, 2026.

Note 2 - Stewardship, Compliance and Accountability

A. Limitation on Fund Balance

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

B. Property Tax Limitation

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

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

C. Capital Projects Fund Project Deficit

Deficits in certain capital projects arise because of the application of generally accepted accounting principles. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. Deficits in these projects will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

D. New Accounting Pronouncement

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

E. Correction of an Error

During the year ended June 30, 2026, the School District identified and corrected an error relating to the amortization of the premium on bonds. The previous amortization utilized the straight-line method instead of the effective interest method, which was materially different.

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 2 - Stewardship, Compliance and Accountability (Continued)

The error has been corrected in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. The error resulted in understated amortization of bond premiums and overstated interest expense in prior periods. The cumulative effect of correcting the error increased governmental activities beginning net position as of July 1, 2025 from \$27,338,159 to \$28,671,444. The correction did not affect governmental fund balances.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

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

Fund	Due From	Due To
General	\$ 497,556	\$ -
Capital Projects	-	41,635
Special Aid	-	497,556
Non-Major Governmental	41,635	-
	<u>\$ 539,191</u>	<u>\$ 539,191</u>

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

B. Capital Assets

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

Class	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Capital Assets, not being depreciated:				
Land	\$ 810,100	\$ -	\$ -	\$ 810,100
Construction-in-progress	29,353,860	14,782,897	44,101,499	35,258
Total Capital Assets, not being depreciated	<u>\$ 30,163,960</u>	<u>\$ 14,782,897</u>	<u>\$ 44,101,499</u>	<u>\$ 845,358</u>
Capital Assets, being depreciated:				
Land Improvements	\$ 1,307,095	\$ -	\$ -	\$ 1,307,095
Buildings and Improvements	95,206,895	44,101,499	-	139,308,394
Furniture and Equipment	1,792,727	111,075	140,884	1,762,918
Vehicles	4,794,279	1,052,842	485,825	5,361,296
Total Capital Assets, being depreciated	<u>103,100,996</u>	<u>45,265,416</u>	<u>626,709</u>	<u>147,739,703</u>
Less Accumulated Depreciation for:				
Land Improvements	1,188,115	45,745	-	1,233,860
Buildings and Improvements	34,008,890	3,894,072	-	37,902,962
Furniture and Equipment	1,015,995	146,400	140,884	1,021,511
Vehicles	3,101,848	369,791	485,825	2,985,814
Total Accumulated Depreciation	<u>39,314,848</u>	<u>4,456,008</u>	<u>626,709</u>	<u>43,144,147</u>
Total Capital Assets, being depreciated, net	<u>\$ 63,786,148</u>	<u>\$ 40,809,408</u>	<u>\$ -</u>	<u>\$ 104,595,556</u>
Capital Assets, net	<u>\$ 93,950,108</u>	<u>\$ 55,592,305</u>	<u>\$ 44,101,499</u>	<u>\$ 105,440,914</u>

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

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

General support	\$ 523,638
Instruction	3,534,096
Cost of food sales	33,966
Pupil transportation	<u>364,308</u>
Total Depreciation Expense	<u>\$ 4,456,008</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2026 were as follows:

	General Fund	Non-Major Governmental Funds	Total
Payroll and Employee Benefits	<u>\$ 173,074</u>	<u>\$ 1,688</u>	<u>\$ 174,762</u>

D. Short-Term Capital Borrowings

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

Purpose	Year of Original Issue	Interest Rate	Maturity Date	Balance July 1, 2025	New Issues	Maturities and/or Payments	Balance June 30, 2026
Capital Projects Fund -							
Bond Anticipation Notes							
School Buses and Vehicles	2023	4.0 %	10/9/2026	\$ 500,417	\$ -	\$ 171,477	\$ 328,940
Building Improvements	2024	4.0	6/25/2027	26,632,178	-	1,621,352	25,010,826
Building Improvements	2025	4.0	6/25/2027	<u>14,500,000</u>	<u>-</u>	<u>-</u>	<u>14,500,000</u>
				<u>\$ 41,632,595</u>	<u>\$ -</u>	<u>\$ 1,792,829</u>	<u>\$ 39,839,766</u>

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

Interest expenditures of \$1,664,678 were recorded in the fund financial statements in the General Fund and \$1,682,163 of interest expense was recorded in the district-wide financial statements.

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

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

	Balance July 1, 2025, as restated	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2026	Due Within One-Year
General Obligation Bonds Payable	\$ 5,320,000	\$ -	\$ 1,690,000	\$ 3,630,000	\$ 1,675,000
Plus - Unamortized Premium on Bonds	456,360 **	-	188,329	268,031	-
	5,776,360	-	1,878,329	3,898,031	1,675,000
Energy Performance Contract Payable	3,125,523	-	544,206	2,581,317	227,094
Other Non-current Liabilities:					
Compensated Absences	5,094,289	- *	137,515	4,956,774	496,000
Net Pension Liability - ERS	2,828,453	-	1,889,566	938,887	-
Other Postemployment Benefit Liability	56,699,896	15,756,086	1,949,721	70,506,261	1,950,000
Total Other Non- current Liabilities	64,622,638	15,756,086	3,976,802	76,401,922	2,446,000
Total Long-Term Liabilities	\$ 73,524,521	\$ 15,756,086	\$ 6,399,337	\$ 82,881,270	\$ 4,348,094

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

**As restated.

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

General Obligation Bonds Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at June 30, 2026
District-Wide Improvements	2020	\$ 15,620,000	June, 2034	2.00 - 5.00 %	\$ 3,630,000

Interest expenditures of \$237,900 were recorded in the fund financial statements in the General Fund. Interest expense of \$42,876 was recorded in the district-wide financial statements.

Energy Performance Contract Payable

The School District, in a prior fiscal year, entered into a \$3,540,000 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for payments of \$163,832 payable semi-annually, including interest at

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

2.84% through May 2026. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures of \$6,849 were recorded in the fund financial statements in the General Fund. Interest expense of \$5,710 was recorded in the district-wide financial statements. The School District satisfied this obligation in the current year.

The School District, in a prior fiscal year, entered into a \$3,425,000 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for semiannual payments of \$134,385, including interest at 1.645% through October 2036. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures of \$45,378 were recorded in the fund financial statements in the General Fund. Interest expense of \$44,753 was recorded in the district-wide financial statements. The balance due at June 30, 2026 was \$2,581,317.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and energy performance contract debt as of June 30, 2026 including interest payments of \$603,414 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2027	\$ 1,675,000	\$ 153,400	\$ 227,094	\$ 41,675	\$ 1,902,094	\$ 195,075
2028	335,000	69,650	230,858	37,911	565,858	107,561
2029	335,000	52,900	234,685	34,085	569,685	86,985
2030	335,000	39,500	238,575	30,195	573,575	69,695
2031	355,000	26,100	242,529	26,241	597,529	52,341
2032-2036	595,000	21,100	1,274,291	69,557	1,869,291	90,657
2037	-	-	133,285	1,100	133,285	1,100
	<u>\$ 3,630,000</u>	<u>\$ 362,650</u>	<u>\$ 2,581,317</u>	<u>\$ 240,764</u>	<u>\$ 6,211,317</u>	<u>\$ 603,414</u>

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

Legal Debt Margin

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

Compensated Absences

The various collective bargaining agreements provide for the payment of accumulated vacation or sick leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide statement of net position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

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

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

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

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

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	19.6 %
	5 A15	16.6
	6 A15 41J100	12.8
	6 A15 41J165	12.9
TRS	1-6	9.59 %

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2026	June 30, 2025
Net pension liability (asset)	\$ 938,887	\$ (6,594,602)
School District's proportion of the net pension liability	0.0166418 %	0.111375 %
Change in proportion since the prior measurement date	0.0001452 %	0.002723 %

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

For the year ended June 30, 2026, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$720,747, (\$1,085,887 for ERS and \$(365,140) for TRS). Pension expenditures of \$985,455 for ERS and \$2,195,986 for TRS were charged to the General Fund.

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

	<u>ERS</u>		<u>TRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 537,286	\$ -	\$ 3,457,042	\$ -
Changes of assumptions	161,165	-	2,610,598	71,101
Net difference between projected and actual earnings on pension plan investments	-	1,683,476	-	5,150,368
Changes in proportion and differences between School District contributions and proportionate share of contributions	246,913	117,445	79,819	164,500
School District contributions subsequent to the measurement date	293,146	-	2,197,950	-
	<u>\$ 1,238,510</u>	<u>\$ 1,800,921</u>	<u>\$ 8,345,409</u>	<u>\$ 5,385,969</u>

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,994,328	\$ -
Changes of assumptions	2,771,763	71,101
Net difference between projected and actual earnings on pension plan investments	-	6,833,844
Changes in proportion and differences between School District contributions and proportionate share of contributions	326,732	281,945
School District contributions subsequent to the measurement date	2,491,096	-
	<u>\$ 9,583,919</u>	<u>\$ 7,186,890</u>

\$293,146 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2027. The \$2,197,950 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2026	\$ -	\$ 3,330,376
2027	409,985	(1,405,850)
2028	(573,975)	(1,495,895)
2029	(334,469)	(334,284)
2030	(357,098)	549,998
Thereafter	-	117,145
	<u>\$ (855,557)</u>	<u>\$ 761,490</u>

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

	ERS	TRS
Measurement Date	March 31, 2026	June 30, 2025
Actuarial valuation date	April 1, 2025	June 30, 2024
Investment rate of return	5.9% *	6.95% *
Salary scale	5.2%	2.04%-5.8%
Inflation rate	2.9%	2.5%
Cost of living adjustments	1.5%	1.4%

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

Asset Type	ERS March 31, 2026		TRS June 30, 2025	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25 %	3.29 %	33 %	6.70 %
International Equity	14	5.85	15	7.40
Private Equity	15	7.00	9	9.80
Real Estate	12	5.20	11	6.50
Domestic Fixed Income Securities	-	-	16	2.60
Global Fixed Income Securities	-	-	2	2.40
High Yield Income Securities	-	-	1	4.70
Global Equities	-	-	4	7.00
Private Debt	-	-	2	6.10
Real Estate Debt	-	-	6	3.80
Opportunistic/Absolute Return Strategy	3	5.13	-	-
Credit	4	5.10	-	-
Real Assets	4	5.54	-	-
Fixed Income	22	1.75	-	-
Cash	1	0.25	1	0.60
	<u>100 %</u>		<u>100 %</u>	

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 6,412,340</u>	<u>\$ 938,887</u>	<u>\$ (3,637,162)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 12,671,612</u>	<u>\$ (6,594,602)</u>	<u>\$ (22,806,119)</u>

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

Accrued retirement contributions as of June 30, 2026 were \$293,146 to ERS and \$2,535,394 to TRS (including employee contributions of \$337,444).

Voluntary Defined Contribution Plan

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

Other Postemployment Benefit Liability ("OPEB")

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

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

Inactive employees currently receiving benefit payments	103
Active employees	<u>362</u>
	<u><u>465</u></u>

The School District's total OPEB liability of \$70,506,261 was measured as of June 30, 2026, and was determined by an actuarial valuation as of July 1, 2025.

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.0%, average, including inflation
Discount rate	4.26%
Healthcare cost trend rates	7.0% for 2027, decreasing 0.25% per year to an ultimate rate of 4.0% for 2039 and later years
Retirees' share of benefit-related costs	Retiree contribution rates vary by employee class and date of retirement

The discount rate was based on an average of two 20-year bond indices (e.g., S&P Municipal Bond 20 Year High Grade Rate Index and Fidelity GA AA 20 Years) as of June 30, 2026.

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

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

Total OPEB Liability - Beginning of Year	\$ 56,699,896
Service cost	2,828,678
Interest	2,373,887
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	10,553,521
Benefit payments	<u>(1,949,721)</u>
Total OPEB Liability - End of Year	<u>\$ 70,506,261</u>

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

	1% Decrease (3.26%)	Current Discount Rate (4.26%)	1% Increase (5.26%)
Total OPEB Liability	<u>\$ 84,145,258</u>	<u>\$ 70,506,261</u>	<u>\$ 59,898,516</u>

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

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

	1% Decrease (6.0% decreasing to 3.0%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.0%)	1% Increase (8.0% decreasing to 5.0%)
Total OPEB Liability	<u>\$ 58,647,974</u>	<u>\$ 70,506,261</u>	<u>\$ 86,319,826</u>

For the year ended June 30, 2026, the School District recognized OPEB expense of \$5,836,281 in the district-wide financial statements. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	<u>\$ 14,033,136</u>	<u>\$ 6,237,745</u>

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

Year Ended June 30,	
2027	\$ 1,209,595
2028	854,323
2029	854,323
2030	854,322
2031	642,288
Thereafter	<u>3,380,540</u>
	<u>\$ 7,795,391</u>

Note 3 - Detailed Notes on All Funds (Continued)**F. Revenues and Expenditures****Interfund Transfers**

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

Transfers Out	Transfers In				Total
	General Fund	Special Aid Fund	Capital Projects Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 39,228	\$ 2,803,631	\$ 230,000	\$ 3,072,859
Non-Major Governmental Funds	408,492	-	-	-	408,492
	<u>\$ 408,492</u>	<u>\$ 39,228</u>	<u>\$ 2,803,631</u>	<u>\$ 230,000</u>	<u>\$ 3,481,351</u>

Transfers are used to 1) move funds from the operating funds to the Capital Projects Fund as bond anticipation note principal payments become due and for voter approved capital projects and 2) move amounts earmarked in the operating funds to fulfill commitments for Special Aid and School Lunch Fund expenditures and 3) move funds from the debt service fund to the General Fund to offset bond anticipation note interest expenditures.

G. Net Position

The components of net position are detailed below:

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

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

Restricted for Capital Improvements - the component of net position that has been established pursuant to Section 6C of the General Municipal Law of the State of New York to set aside funds to be used for future capital projects.

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

Restricted for Repairs - the component of net position that has been established pursuant to section 6 D of the General Municipal Law of the State of New York to pay the cost of major repairs to the School District assets.

Note 3 - Detailed Notes on All Funds (Continued)

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

Restricted for Workers' Compensation Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-j of the General Municipal Law of the State of New York.

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

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

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

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

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

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

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

Croton-Harmon Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2026

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable -				
Prepaid expenditures	\$ 3,200	\$ -	\$ -	\$ 3,200
Inventories	-	-	15,058	15,058
Total Nonspendable	3,200	-	15,058	18,258
Restricted:				
Workers' compensation	323,143	-	-	323,143
Workers' compensation - for subsequent year's expenditures	100,000	-	-	100,000
Unemployment insurance	183,889	-	-	183,889
Unemployment insurance - for subsequent year's expenditures	100,000	-	-	100,000
Tax certiorari	1,240,047	-	-	1,240,047
Tax certiorari - for subsequent year's expenditures	800,000	-	-	800,000
ERS retirement contributions	2,118,033	-	-	2,118,033
ERS retirement contributions - for subsequent year's expenditures	200,000	-	-	200,000
TRS retirement contributions	2,456,789	-	-	2,456,789
Employee benefit accrued liability	666,825	-	-	666,825
Repairs	319,532	-	-	319,532
Insurance losses	1,365,780	-	-	1,365,780
Capital projects	10,747,556	-	-	10,747,556
Debt service	-	-	1,512,889	1,512,889
Special revenues - extraclassroom activities	-	-	146,570	146,570
Special revenues - other	-	-	58,408	58,408
Total Restricted	20,621,594	-	1,717,867	22,339,461
Assigned:				
Purchases on order:				
General government support	1,183,861	-	-	1,183,861
Instruction	313,609	-	-	313,609
	1,497,470	-	-	1,497,470
For subsequent year's expenditures -				
General Fund	2,716,925	-	-	2,716,925
School Lunch Fund	-	-	183,650	183,650
Total Assigned	4,214,395	-	183,650	4,398,045
Unassigned	2,510,512	(37,830,463)	-	(35,319,951)
Total Fund Balances	\$ 27,349,701	\$ (37,830,463)	\$ 1,916,575	\$ (8,564,187)

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

Employee Benefits have been established to set aside funds to be used for a specific purpose in accordance with Section 6-n of the General Municipal Law of the State of New York.

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

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

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. The unassigned deficit in the capital projects funds represents the deficit in the fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

In common with other school districts, the School District from time to time receives notices of claim and is party to litigation. In the opinion of the Attorney for the District, apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the School District, would have an adverse material effect on the financial condition of the School District.

B. Contingencies

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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

C. Risk Management

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

The School District purchases various insurance coverages from NYSIR to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million. The School District maintains liability coverage for school board members up to \$1 million. The School District also maintains an umbrella policy with coverage up to \$15 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District has also established a reserve for property loss and liability pursuant to General Municipal Law. At June 30, 2026, the balance in the reserve was \$1,365,780, which is to be used for the uninsured portion of any losses.

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Northern Westchester - Putnam Schools Cooperative Medical Expense Benefit Plan. The plan operates under an agreement dated February 17, 1989. The purposes of the plan are to provide for the efficient and economical evaluation, processing, administration and payment of claims against plan members for medical expenses through self-insurance and to provide for centralized administration, funding and disbursements for such services. The governance of the plan rests in the Board of Trustees which shall consist of five Trustees selected by the plan members. A majority vote of the total number of Trustees shall be required to take any actions. The billings are based upon coverages provided to each participants' employees. The School District has transferred all related risks to the Plan.

Note 5 - Recently Issued GASB Pronouncements

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

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

Croton-Harmon Union Free School District, New York

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

	Budgeted Amounts		Variance with Original Budget - over (under) Final Budget	Actual Amounts	Encumbr- ances	Variance with Final Budget - over (under) Actual and Encumbrances
	Original Budget	Final Budget				
REVENUES						
Real property taxes	\$ 43,740,411	\$ 43,740,411	\$ -	\$ 43,740,411	\$ -	\$ -
Other tax items	1,726,863	1,726,863	-	1,726,863	-	-
Non-property taxes	975,000	975,000	-	1,090,625	-	115,625
Charges for services	130,000	130,000	-	559,624	-	429,624
Use of money and property	342,000	342,000	-	1,254,977	-	912,977
Sale of property and compensation for loss	14,500	14,500	-	102,858	-	88,358
State aid	10,231,661	10,239,880	8,219	10,698,787	-	458,907
Federal aid	20,000	20,000	-	26,507	-	6,507
Miscellaneous	150,000	153,000	3,000	339,659	-	186,659
Total Revenues	57,330,435	57,341,654	11,219	59,540,311	-	2,198,657
EXPENDITURES						
Current						
General support						
Board of education	89,175	88,739	(436)	75,089	-	(13,650)
Central administration	374,153	393,469	19,316	389,452	3,780	(237)
Finance	920,262	950,632	30,370	918,451	-	(32,181)
Staff	686,089	674,575	(11,514)	535,472	-	(139,103)
Central services	6,587,137	6,942,417	355,280	5,371,908	1,180,081	(390,428)
Special items	836,246	787,680	(48,566)	644,349	-	(143,331)
Total General Support	9,493,062	9,837,512	344,450	7,934,721	1,183,861	(718,930)
Instruction						
Instruction, administration and improvement	2,253,985	2,205,780	(48,205)	2,072,313	-	(133,467)
Teaching - Regular school	16,395,645	16,567,706	172,061	15,793,871	204,116	(569,719)
Programs for students with disabilities	6,248,895	6,233,420	(15,475)	5,534,103	6,375	(692,942)
Occupational education	371,328	371,328	-	371,328	-	-
Teaching - Special schools	33,050	33,050	-	-	-	(33,050)
Instructional media	2,363,753	2,524,797	161,044	2,363,614	103,118	(58,065)
Pupil services	3,714,302	3,715,956	1,654	3,306,231	-	(409,725)
Total Instruction	31,380,958	31,652,037	271,079	29,441,460	313,609	(1,896,968)
Pupil transportation	3,272,266	3,277,724	5,458	2,748,503	-	(529,221)
Employee benefits	12,205,140	11,932,639	(272,501)	10,692,107	-	(1,240,532)
Debt service						
Principal	2,234,207	2,234,207	-	2,234,206	-	(1)
Interest	1,857,668	1,954,807	97,139	1,954,805	-	(2)
Total Expenditures	60,443,301	60,888,926	445,625	55,005,802	1,497,470	(4,385,654)
Excess (Deficiency) of Revenues Over Expenditures	(3,112,866)	(3,547,272)	(434,406)	4,534,509	(1,497,470)	6,584,311
OTHER FINANCING SOURCES (USES)						
Transfers in	-	408,492	408,492	408,492	-	-
Transfers out	(1,591,477)	(3,113,632)	(1,522,155)	(3,072,859)	-	40,773
Total Other Financing Uses	(1,591,477)	(2,705,140)	(1,113,663)	(2,664,367)	-	40,773
Net Change in Fund Balance	(4,704,343)	(6,252,412)	(1,548,069)	1,870,142	\$ (1,497,470)	\$ 6,625,084
FUND BALANCE						
Beginning of Year	4,704,343	6,252,412	1,548,069	25,479,559		
End of Year	\$ -	\$ -	\$ -	\$ 27,349,701		

See independent auditors' report.

1. Budgetary Basis and Control

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

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

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

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

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

2. General Fund Budgetary Highlights

Differences - Original Budget to Final Budget

		Variance with Original Budget - over (under) Final Budget	
EXPENDITURES			
General support -			
Central services	\$	355,280	The final budget was adjusted to provide for anticipated year-end facility maintenance projects, including painting, flooring, and lighting, after the District reviewed available revenues and projected expenditures.
Employee benefits		(272,501)	The District had budgeted for four additional employees that did not need coverage during the year.
OTHER FINANCING SOURCES (USES)			
Transfers in		408,492	The District transferred funds from the Debt Service Fund to cover the interest due on the BAN in June 2026.
Transfers out		(1,522,155)	The District transferred funds from the Transportation Reserve for EV Buses, and transferred funds for a diesel school bus, a gas/diesel powered bus and a SUV hybrid vehicle with the proposition approved by voters. Funds were also transferred to the School Lunch Fund to reduce the operating deficit.

Croton-Harmon Union Free School District, New York

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

2. General Fund Budgetary Highlights

Differences - Final Budget to Actual Amounts and Encumbrances

		Variance with Final Budget - over (under) Actual and Encumbrances	
REVENUES			
Charges for services	\$	429,624	The District had increased out of district enrollment, including high cost special education students enrolled in our in-district special education programs.
Use of money and property		912,977	Interest rates remained considerably higher than projected during budget development, generating additional revenue to the districts general fund and restricted reserves.
State aid		458,907	There was an increase in building aid due to several finalized capital projects and BOCES services in the current year, therefore more aid was received.
EXPENDITURES			
General support - Central services	\$	(390,428)	The district deferred non-essential discretionary spending, particularly for projects such as painting, flooring, and lighting, until anticipated revenues were fully realized and secured and a comprehensive review of actual expenditures was completed.
Instruction: Teaching - Regular schools		(569,719)	The District budgeted for an extra section of Kindergarten that wasn't required due to enrollment. Variance is also due to high salaried teaching staff retirements/resignations, who were replaced by new teaching staff.
Programs for students with disabilities		(692,942)	Variance is primarily driven by the dynamic and individualized nature of student needs. Projections and actual expenditures frequently shift due to changes in individualized education program (IEP) requirements, out-of-district placements, and new student enrollments throughout the school year.
Pupil services		(409,725)	Fluctuations in pupil services — which includes guidance, psychology, social work, attendance, health services co-curricular and Athletics—were driven primarily by personnel salary variances, unfilled/unneeded positions and the absorption of some salaries through Federal funding.
Pupil transportation		(529,221)	Driver salaries are projected based on annual routing needs. Routes were adjusted and streamlined based on updated student demographics. Further, the completion of the district athletic field brought games back on-campus, substantially reducing overtime and overall transportation demands.
Employee benefits		(1,240,532)	Employee benefits are projected conservatively based on anticipated staffing levels and estimated coverage expectations. Favorable variances across benefit lines were primarily driven by staffing and lower-than-expected employer contribution rates. Health Insurance premium came in less than projected, alongside cost savings from staff opting for buyouts or switching to single coverage plans.

Croton-Harmon Union Free School District, New York

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

	2026	2025	2024
Total OPEB Liability:			
Service cost	\$ 2,828,678	\$ 1,590,776	\$ 1,881,366
Interest	2,373,887	2,847,359	2,131,039
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions or other inputs *	10,553,521	(6,726,980)	5,330,436
Benefit payments	<u>(1,949,721)</u>	<u>(1,659,453)</u>	<u>(1,596,587)</u>
Net Change in Total OPEB Liability	13,806,365	(3,948,298)	7,746,254
Total OPEB Liability – Beginning of Year	<u>56,699,896</u>	<u>60,648,194</u>	<u>52,901,940</u>
Total OPEB Liability – End of Year	<u>\$ 70,506,261</u>	<u>\$ 56,699,896</u>	<u>\$ 60,648,194</u>
School District's covered-employee payroll	<u>\$ 34,609,048</u>	<u>\$ 25,025,319</u>	<u>\$ 25,025,319</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>203.72%</u>	<u>226.57%</u>	<u>242.35%</u>
*Discount Rate	<u>4.26%</u>	<u>4.76%</u>	<u>4.09%</u>

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

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

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

See independent auditors' report.

2023	2022	2021	2020	2019	2018
\$ 1,428,330	\$ 1,491,551	\$ 1,643,302	\$ 1,426,151	\$ 570,808	\$ 492,015
2,087,720	1,818,833	924,513	1,039,906	1,413,909	1,460,333
-	-	-	-	-	-
-	-	-	-	-	-
(2,146,523)	1,908,386	2,486,898	(4,031,134)	5,243,433	-
(1,321,179)	(1,220,180)	(869,571)	(830,621)	(1,058,230)	(1,050,330)
48,348	3,998,590	4,185,142	(2,395,698)	6,169,920	902,018
52,853,592	48,855,002	44,669,860	47,065,558	40,895,638	39,993,620 (3)
<u>\$ 52,901,940</u>	<u>\$ 52,853,592</u>	<u>\$ 48,855,002</u>	<u>\$ 44,669,860</u>	<u>\$ 47,065,558</u>	<u>\$ 40,895,638</u>
<u>\$ 21,636,185</u>	<u>\$ 21,636,185</u>	<u>\$ 21,752,300</u>	<u>\$ 21,752,300</u>	<u>\$ 21,627,861</u>	<u>\$ 21,627,861</u>
244.51%	244.28%	224.60%	205.36%	217.62%	189.09%
4.00%	3.77%	2.09%	2.44%	3.10%	3.10%

Croton-Harmon Union Free School District, New York

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

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

	2026 (3)	2025 (3)	2024(3)	2023 (2)
School District's proportion of the net pension liability (asset)	<u>0.111375%</u>	<u>0.108652%</u>	<u>0.106904%</u>	<u>0.106939%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (6,594,602)</u>	<u>\$ (3,241,737)</u>	<u>\$ 1,222,538</u>	<u>\$ 2,052,050</u>
School District's covered payroll	<u>\$ 21,868,566</u>	<u>\$ 20,756,776</u>	<u>\$ 19,724,101</u>	<u>\$ 18,947,274</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>(30.16)%</u>	<u>(15.62)%</u>	<u>6.20%</u>	<u>10.83%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>103.99%</u>	<u>102.09%</u>	<u>99.17%</u>	<u>98.57%</u>
Discount Rate	<u>6.95%</u>	<u>6.95%</u>	<u>6.95%</u>	<u>6.95%</u>

Schedule of Contributions

	2026	2025	2024	2023
Contractually required contribution	\$ 2,197,950	\$ 2,210,912	\$ 2,025,861	\$ 2,029,610
Contributions in relation to the contractually required contribution	<u>(2,197,950)</u>	<u>(2,210,912)</u>	<u>(2,025,861)</u>	<u>(2,029,610)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 22,919,192</u>	<u>\$ 21,868,566</u>	<u>\$ 20,756,776</u>	<u>\$ 19,724,101</u>
Contributions as a percentage of covered payroll	<u>9.59%</u>	<u>10.11%</u>	<u>9.76%</u>	<u>10.29%</u>

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

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

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

See independent auditors' report.

<u>2022 (3)</u>	<u>2021 (2)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>0.110139%</u>	<u>0.108842%</u>	<u>0.108671%</u>	<u>0.109483%</u>	<u>0.107448%</u>	<u>0.108427%</u>
<u>\$ (19,086,079)</u>	<u>\$ 3,007,601</u>	<u>\$ (2,823,282)</u>	<u>\$ (1,979,741)</u>	<u>\$ (816,711)</u>	<u>\$ 1,161,293</u>
<u>\$ 18,947,274</u>	<u>\$ 18,822,336</u>	<u>\$ 18,477,570</u>	<u>\$ 18,138,972</u>	<u>\$ 17,026,952</u>	<u>\$ 16,731,299</u>
<u>(100.73)%</u>	<u>15.98%</u>	<u>(15.28)%</u>	<u>(10.91)%</u>	<u>(4.80)%</u>	<u>6.94%</u>
<u>113.20%</u>	<u>97.76%</u>	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>
<u>6.95%</u>	<u>7.10%</u>	<u>7.10%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.50%</u>
<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>\$ 1,781,554</u>	<u>\$ 1,740,502</u>	<u>\$ 1,876,941</u>	<u>\$ 1,748,110</u>	<u>\$ 1,995,559</u>	<u>\$ 2,218,570</u>
<u>(1,781,554)</u>	<u>(1,740,502)</u>	<u>(1,876,941)</u>	<u>(1,748,110)</u>	<u>(1,995,559)</u>	<u>(2,218,570)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 18,947,274</u>	<u>\$ 18,822,336</u>	<u>\$ 18,822,336</u>	<u>\$ 18,138,972</u>	<u>\$ 17,026,952</u>	<u>\$ 16,731,299</u>
<u>9.40%</u>	<u>9.25%</u>	<u>9.97%</u>	<u>9.64%</u>	<u>11.72%</u>	<u>13.26%</u>

Croton-Harmon Union Free School District, New York

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

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

	2026 (3)	2025 (2)	2024 (3)	2023 (2)
School District's proportion of the net pension liability (asset)	<u>0.0166418%</u>	<u>0.0164966%</u>	<u>0.0180289%</u>	<u>0.0175876%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 938,887</u>	<u>\$ 2,828,453</u>	<u>\$ 2,654,584</u>	<u>\$ 3,771,498</u>
School District's covered payroll	<u>\$ 6,670,731</u>	<u>\$ 6,482,258</u>	<u>\$ 6,535,901</u>	<u>\$ 6,380,804</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>14.07%</u>	<u>43.63%</u>	<u>40.62%</u>	<u>59.11%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.78%</u>	<u>93.08%</u>	<u>93.88%</u>	<u>90.78%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>

Schedule of Contributions

	2026	2025	2024	2023
Contractually required contribution	\$ 1,005,960	\$ 939,182	\$ 786,550	\$ 680,650
Contributions in relation to the contractually required contribution	<u>(1,005,960)</u>	<u>(939,182)</u>	<u>(786,550)</u>	<u>(680,650)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 6,574,162</u>	<u>\$ 6,380,140</u>	<u>\$ 6,219,935</u>	<u>\$ 6,474,495</u>
Contributions as a percentage of covered payroll	<u>15.30%</u>	<u>14.72%</u>	<u>12.65%</u>	<u>10.51%</u>

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

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

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

See independent auditors' report.

2022 (3)	2021 (2)	2020 (3)	2019 (3)	2018 (3)	2017
0.0182433%	0.0180489%	0.0187452%	0.0190977%	0.0191017%	0.0197352%
\$ (1,491,316)	\$ 17,972	\$ 4,963,849	\$ 1,353,128	\$ 616,497	\$ 1,854,364
\$ 6,040,908	\$ 6,160,977	\$ 6,060,981	\$ 5,700,424	\$ 5,532,627	\$ 5,432,392
(24.69)%	0.29%	81.90%	23.74%	11.14%	34.14%
103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
5.90%	5.90%	6.80%	7.00%	7.00%	7.00%
2022	2021	2020	2019	2018	2017
\$ 939,601	\$ 861,145	\$ 834,898	\$ 791,873	\$ 787,973	\$ 801,828
(939,601)	(861,145)	(834,898)	(791,873)	(787,973)	(801,828)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,040,908	\$ 6,160,977	\$ 6,060,981	\$ 5,700,424	\$ 5,532,627	\$ 5,432,392
15.55%	13.98%	13.77%	13.89%	14.24%	14.76%

Croton-Harmon Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2026	2025
ASSETS		
Cash and equivalents	\$ 7,231,935	\$ 12,932,261
Investments	21,270,836	15,453,080
Receivables		
Accounts	17,200	42,971
State and Federal aid	1,728,799	207,222
Due from other governments	574,841	664,166
Due from other funds	497,556	153,123
	2,818,396	1,067,482
Prepaid expenditures	3,200	3,107
Total Assets	\$ 31,324,367	\$ 29,455,930
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 888,590	\$ 820,526
Accrued liabilities	173,074	245,515
Employee payroll deductions	1,779	2,515
Due to other funds	-	11,389
Due to retirement systems	2,828,540	2,828,042
Deposits payable	82,683	68,384
Total Liabilities	3,974,666	3,976,371
Fund balance		
Nonspendable	3,200	3,107
Restricted	20,621,594	19,532,267
Assigned	4,214,395	3,504,343
Unassigned	2,510,512	2,439,842
Total Fund Balance	27,349,701	25,479,559
Total Liabilities and Fund Balance	\$ 31,324,367	\$ 29,455,930

See independent auditors' report.

Croton-Harmon Union Free School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Variance with Final Budget - over (under) Actual
REAL PROPERTY TAXES	\$ 43,740,411	\$ 43,740,411	\$ 43,740,411	\$ -
OTHER TAX ITEMS				
Payments in lieu of taxes	44,702	44,702	44,702	-
School tax relief reimbursement	1,682,161	1,682,161	1,682,161	-
	1,726,863	1,726,863	1,726,863	-
NON-PROPERTY TAXES				
Non-property tax distribution from County	975,000	975,000	1,090,625	115,625
CHARGES FOR SERVICES				
Day school tuition - Individuals	130,000	130,000	559,070	429,070
Other services for other districts and other governments	-	-	554	554
	130,000	130,000	559,624	429,624
USE OF MONEY AND PROPERTY				
Earnings on investments	300,000	300,000	1,177,361	877,361
Rental of real property	42,000	42,000	77,616	35,616
	342,000	342,000	1,254,977	912,977
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	7,500	7,500	22,202	14,702
Minor sales	7,000	7,000	80,656	73,656
	14,500	14,500	102,858	88,358
STATE AID				
Basic formula	9,448,374	9,448,374	9,815,348	366,974
BOCES	642,609	642,609	733,669	91,060
Textbooks	94,365	94,365	95,239	874
Computer software	36,519	36,519	36,519	-
Library	9,794	9,794	9,793	(1)
Other	-	8,219	8,219	-
	10,231,661	10,239,880	10,698,787	458,907
FEDERAL AID				
Medicaid assistance	20,000	20,000	26,507	6,507
MISCELLANEOUS				
Refund of prior year's expenditures	145,000	145,000	296,025	151,025
Other	5,000	8,000	43,634	35,634
	150,000	153,000	339,659	186,659
TOTAL REVENUES	57,330,435	57,341,654	59,540,311	2,198,657
OTHER FINANCING SOURCES				
Transfers in				
Debt Service Fund	-	408,492	408,492	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 57,330,435	\$ 57,750,146	\$ 59,948,803	\$ 2,198,657

See independent auditors' report.

Croton-Harmon Union Free School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget - over (under) Actual and Encumbrances
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 40,175	\$ 40,175	\$ 35,143	\$ -	\$ (5,032)
District clerk	49,000	48,564	39,946	-	(8,618)
Total Board of Education	89,175	88,739	75,089	-	(13,650)
CENTRAL ADMINISTRATION					
Chief school administrator	374,153	393,469	389,452	3,780	(237)
FINANCE					
Business administration	691,147	721,517	701,926	-	(19,591)
Auditing	74,780	74,780	65,540	-	(9,240)
Treasurer	126,400	126,400	124,550	-	(1,850)
Fiscal agent fees	27,935	27,935	26,435	-	(1,500)
Total Finance	920,262	950,632	918,451	-	(32,181)
STAFF					
Legal	251,425	251,425	139,634	-	(111,791)
Personnel	168,636	168,721	164,015	-	(4,706)
Records management officer	6,544	6,544	4,342	-	(2,202)
Public information and services	259,484	247,885	227,481	-	(20,404)
Total Staff	686,089	674,575	535,472	-	(139,103)
CENTRAL SERVICES					
Operation and maintenance of plant	6,387,985	6,743,265	5,181,475	1,180,081	(381,709)
Central printing and mailing	124,975	124,975	118,019	-	(6,956)
Central data processing	74,177	74,177	72,414	-	(1,763)
Total Central Services	6,587,137	6,942,417	5,371,908	1,180,081	(390,428)
SPECIAL ITEMS					
Unallocated insurance	372,300	317,842	316,454	-	(1,388)
School association dues	21,000	21,000	12,126	-	(8,874)
Judgments and claims	-	5,892	5,892	-	-
Assessments of school property	65,000	65,000	(65,000)	-	(130,000)
Refunds of real property taxes	-	-	-	-	-
Administrative charge - BOCES	329,316	329,316	326,247	-	(3,069)
BOCES capital expenses	48,630	48,630	48,630	-	-
Total Special Items	836,246	787,680	644,349	-	(143,331)
Total General Support	9,493,062	9,837,512	7,934,721	1,183,861	(718,930)
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	626,692	642,796	632,556	-	(10,240)
Building administration	1,627,293	1,562,984	1,439,757	-	(123,227)
Total Instruction, Administration and Improvement	2,253,985	2,205,780	2,072,313	-	(133,467)

(Continued)

Croton-Harmon Union Free School District, New York

General Fund

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

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget - over (under) Actual and Encumbrances
INSTRUCTION (Continued)					
TEACHING - REGULAR SCHOOL	\$ 16,395,645	\$ 16,567,706	\$ 15,793,871	\$ 204,116	\$ (569,719)
PROGRAMS FOR STUDENTS WITH DISABILITIES	6,248,895	6,233,420	5,534,103	6,375	(692,942)
OCCUPATIONAL EDUCATION	371,328	371,328	371,328	-	-
TEACHING - SPECIAL SCHOOLS	33,050	33,050	-	-	(33,050)
INSTRUCTIONAL MEDIA					
School library and audiovisual	556,883	554,900	516,875	-	(38,025)
Educational television	13,982	13,983	4,510	-	(9,473)
Computer assisted instruction	1,792,888	1,955,914	1,842,229	103,118	(10,567)
Total Instructional Media	2,363,753	2,524,797	2,363,614	103,118	(58,065)
PUPIL SERVICES					
Attendance- Regular school	-	3,500	3,500	-	-
Guidance - Regular school	1,063,015	1,063,015	1,009,722	-	(53,293)
Health services - Regular school	400,160	406,797	328,922	-	(77,875)
Psychological services - Regular school	561,716	560,862	503,952	-	(56,910)
Social work services - Regular school	119,804	119,804	81,666	-	(38,138)
Co-curricular activities - Regular school	301,292	293,662	250,519	-	(43,143)
Interscholastic athletics - Regular school	1,268,315	1,268,316	1,127,950	-	(140,366)
Total Pupil Services	3,714,302	3,715,956	3,306,231	-	(409,725)
Total Instruction	31,380,958	31,652,037	29,441,460	313,609	(1,896,968)
PUPIL TRANSPORTATION					
District transportation services	3,168,090	3,183,148	2,691,603	-	(491,545)
Building	104,176	94,576	56,900	-	(37,676)
Total Pupil Transportation	3,272,266	3,277,724	2,748,503	-	(529,221)
EMPLOYEE BENEFITS					
State retirement	1,149,869	1,149,869	985,455	-	(164,414)
Teachers' retirement	2,398,374	2,398,374	2,195,986	-	(202,388)
Social security	2,556,000	2,496,399	2,276,657	-	(219,742)
Life insurance	15,000	15,000	9,078	-	(5,922)
Hospital, medical and dental insurance	5,216,640	5,011,640	4,410,335	-	(601,305)
Workers' compensation	224,522	224,522	206,171	-	(18,351)
Unemployment benefits	10,000	10,000	9,599	-	(401)
Disability insurance	5,125	5,125	-	-	(5,125)
Union welfare benefits	289,160	289,160	279,798	-	(9,362)
Other	340,450	332,550	319,028	-	(13,522)
Total Employee Benefits	12,205,140	11,932,639	10,692,107	-	(1,240,532)
DEBT SERVICE					
Principal					
Bonds	1,690,000	1,690,000	1,690,000	-	-
Energy performance contract	544,207	544,207	544,206	-	(1)
	2,234,207	2,234,207	2,234,206	-	(1)

(Continued)

Croton-Harmon Union Free School District, New York

General Fund

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

Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget - over (under) Actual and Encumbrances
DEBT SERVICE (Continued)					
Interest					
Bonds	\$ 237,900	\$ 237,900	\$ 237,900	\$ -	\$ -
Bond anticipation notes	1,567,540	1,664,679	1,664,678	-	(1)
Energy performance contract	52,228	52,228	52,227	-	(1)
	<u>1,857,668</u>	<u>1,954,807</u>	<u>1,954,805</u>	<u>-</u>	<u>(2)</u>
Total Debt Service	<u>4,091,875</u>	<u>4,189,014</u>	<u>4,189,011</u>	<u>-</u>	<u>(3)</u>
TOTAL EXPENDITURES	<u>60,443,301</u>	<u>60,888,926</u>	<u>55,005,802</u>	<u>1,497,470</u>	<u>(4,385,654)</u>
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	1,481,477	2,803,632	2,803,631	-	(1)
Special Aid Fund	80,000	80,000	39,228	-	(40,772)
School Lunch Fund	30,000	230,000	230,000	-	-
TOTAL OTHER FINANCING USES	<u>1,591,477</u>	<u>3,113,632</u>	<u>3,072,859</u>	<u>-</u>	<u>(40,773)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 62,034,778</u>	<u>\$ 64,002,558</u>	<u>\$ 58,078,661</u>	<u>\$ 1,497,470</u>	<u>\$ (4,426,427)</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2026</u>	<u>2025</u>
ASSETS		
Receivables		
State and Federal aid	<u>\$ 566,694</u>	<u>\$ 271,908</u>
LIABILITIES		
Accounts payable	\$ 42,104	\$ 101,160
Accrued liabilities	-	1,051
Due to other governments	-	3,018
Due to other funds	497,556	153,123
Unearned revenues	<u>27,034</u>	<u>13,556</u>
Total Liabilities	<u>\$ 566,694</u>	<u>\$ 271,908</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Special Aid Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	2026	2025
REVENUES		
State aid	\$ 429,497	\$ 500,232
Federal aid	632,711	475,118
Miscellaneous	6,260	54,141
Total Revenues	1,068,468	1,029,491
EXPENDITURES		
Current		
Instruction	1,028,956	980,170
Pupil transportation	78,740	93,082
Total Expenditures	1,107,696	1,073,252
Deficiency of Revenues Over Expenditures	(39,228)	(43,761)
OTHER FINANCING SOURCES		
Transfers in	39,228	43,761
Net Change in Fund Balance	-	-
FUND BALANCE		
Beginning of Year	-	-
End of Year	\$ -	\$ -

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2026</u>	<u>2025</u>
ASSETS		
Cash and equivalents	\$ 1,937,416	\$ 20,637,670
State and Federal aid receivable	114,687	14,687
Due from other funds	<u>-</u>	<u>11,389</u>
Total Assets	<u><u>\$ 2,052,103</u></u>	<u><u>\$ 20,663,746</u></u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 1,165	\$ 3,981,309
Bond anticipation notes payable	39,839,766	41,632,595
Due to other funds	<u>41,635</u>	<u>151,297</u>
Total Liabilities	39,882,566	45,765,201
Fund deficit		
Unassigned	<u>(37,830,463)</u>	<u>(25,101,455)</u>
Total Liabilities and Fund Deficit	<u><u>\$ 2,052,103</u></u>	<u><u>\$ 20,663,746</u></u>

See independent auditors' report.

(This page intentionally left blank)

Croton-Harmon Union Free School District, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	2026	2025
REVENUES		
State aid	\$ 200,000	\$ 7,699
Miscellaneous	25,000	-
Total Revenues	225,000	7,699
EXPENDITURES		
Capital outlay	15,757,639	24,919,543
Deficiency of Revenues Over Expenditures	(15,532,639)	(24,911,844)
OTHER FINANCING SOURCES (USES)		
Transfers in	2,803,631	3,124,118
Transfers out	-	(514,758)
Total Other Financing Sources	2,803,631	2,609,360
Net Change in Fund Balance	(12,729,008)	(22,302,484)
FUND BALANCE (DEFICIT)		
Beginning of Year	(25,101,455)	(2,798,971)
End of Year	\$ (37,830,463)	\$ (25,101,455)

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2026

PROJECT	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
2022 Building Improvements					
District-Wide Roofing	\$ 4,538,604	\$ 4,122,040	\$ 416,564	\$ 4,538,604	\$ -
District-Wide Security	9,972,189	6,232,337	3,739,852	9,972,189	-
District-Wide Improvements	29,967,375	18,999,483	10,591,223	29,590,706	376,669
PVC HVAC	805,780	-	-	-	805,780
CET Tennis Court Lighting	441,052	-	35,258	35,258	405,794
Total 2022 Building Improvements	45,725,000	29,353,860	14,782,897	44,136,757	1,588,243
21-22 Bus Purchases/Charging Stations	252,461	252,461	-	252,461	-
22-23 Bus Purchases	379,925	379,925	-	379,925	-
22-23 (20) Passenger mini-bus	65,000	-	-	-	65,000
24-25 Electric Vehicle Bus	461,702	-	245,227	245,227	216,475
24-25 Repairs and Maintenance Lift	111,075	-	111,075	111,075	-
25-26 Electric Bus Purchases	274,500	-	274,500	274,500	-
25-26 Bus Purchases	385,000	-	343,940	343,940	41,060
26-27 Diesel Bus Purchase	198,000	-	-	-	198,000
26-27 Bus Purchase	115,000	-	-	-	115,000
26-27 Hybrid SUV	67,000	-	-	-	67,000
Smart School	346,118	346,118	-	346,118	-
Totals	\$ 48,380,781	\$ 30,332,364	\$ 15,757,639	\$ 46,090,003	\$ 2,290,778

See independent auditors' report.

Proceeds of Obligations	Methods of Financing			Fund Balance (Deficit) at June 30, 2026	Bond Anticipation Notes Outstanding at June 30, 2026
	Transfers In	Other	Total		
\$ 3,489,174	\$ -	\$ -	\$ 3,489,174	\$ (1,049,430)	\$ 2,637,673
-	-	100,000	100,000	(9,872,189)	9,872,189
-	2,500,000	100,000	2,600,000	(26,990,706)	26,990,706
-	-	-	-	-	-
-	-	25,000	25,000	(10,258)	10,258
3,489,174	2,500,000	225,000	6,214,174	(37,922,583)	39,510,826
151,476	-	-	151,476	(100,985)	100,985
151,970	-	-	151,970	(227,955)	227,955
-	-	-	-	-	-
-	245,227	-	245,227	-	-
-	111,075	-	111,075	-	-
-	274,500	-	274,500	-	-
-	385,000	-	385,000	41,060	-
-	198,000	-	198,000	198,000	-
-	115,000	-	115,000	115,000	-
-	67,000	-	67,000	67,000	-
-	-	346,118	346,118	-	-
\$ 3,792,620	\$ 3,895,802	\$ 571,118	\$ 8,259,540	\$ (37,830,463)	\$ 39,839,766

Croton-Harmon Union Free School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2026
(With Comparative Totals for 2025)

	School Lunch	Miscellaneous Special Revenue Fund	Debt Service
ASSETS			
Cash and equivalents	\$ 202,278	\$ 205,737	\$ 1,471,254
Receivables			
State and Federal aid	142,393	-	-
Due from other funds	-	-	41,635
	142,393	-	41,635
Inventories	15,058	-	-
Total Assets	\$ 359,729	\$ 205,737	\$ 1,512,889
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 82,361	\$ -	\$ -
Accrued liabilities	1,688	-	-
Due to other governments	149	759	-
Unearned revenues	76,823	-	-
Total Liabilities	161,021	759	-
Fund balances			
Nonspendable	15,058	-	-
Restricted	-	204,978	1,512,889
Assigned	183,650	-	-
Total Fund Balances	198,708	204,978	1,512,889
Total Liabilities and Fund Balances	\$ 359,729	\$ 205,737	\$ 1,512,889

See independent auditors' report.

Total Non-Major Governmental Funds	
2026	2025
<u>\$ 1,879,269</u>	<u>\$ 1,546,467</u>
142,393	15,655
41,635	151,297
<u>184,028</u>	<u>166,952</u>
15,058	6,412
<u>\$ 2,078,355</u>	<u>\$ 1,719,831</u>
\$ 82,361	\$ -
1,688	2,179
908	887
76,823	103,265
<u>161,780</u>	<u>106,331</u>
15,058	6,412
1,717,867	1,548,862
183,650	58,226
<u>1,916,575</u>	<u>1,613,500</u>
<u>\$ 2,078,355</u>	<u>\$ 1,719,831</u>

Croton-Harmon Union Free School District, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year Ended June 30, 2026
 (With Comparative Totals for 2025)

	School Lunch	Miscellaneous Special Revenue Fund	Debt Service
REVENUES			
Use of money and property	\$ -	\$ 484	\$ 50,281
State aid	604,697	-	-
Federal aid	253,856	-	-
Food sales	202,405	-	-
Miscellaneous	-	179,500	512,060
Total Revenues	1,060,958	179,984	562,341
EXPENDITURES			
Current			
Cost of food sales	1,156,888	-	-
Other	-	164,828	-
Total Expenditures	1,156,888	164,828	-
Excess (Deficiency) of Revenues Over Expenditures	(95,930)	15,156	562,341
OTHER FINANCING SOURCES (USES)			
Transfers in	230,000	-	-
Transfers out	-	-	(408,492)
Total Other Financing Sources (Uses)	230,000	-	(408,492)
Net Change in Fund Balances	134,070	15,156	153,849
FUND BALANCES			
Beginning of Year	64,638	189,822	1,359,040
End of Year	<u>\$ 198,708</u>	<u>\$ 204,978</u>	<u>\$ 1,512,889</u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2026	2025
\$ 50,765	\$ 156,628
604,697	8,341
253,856	215,693
202,405	572,859
691,560	597,014
1,803,283	1,550,535
1,156,888	920,206
164,828	202,775
1,321,716	1,122,981
481,567	427,554
230,000	624,286
(408,492)	(125,544)
(178,492)	498,742
303,075	926,296
1,613,500	687,204
\$ 1,916,575	\$ 1,613,500

Croton-Harmon Union Free School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2026</u>	<u>2025</u>
ASSETS		
Cash and equivalents	\$ 202,278	\$ 148,138
State and Federal aid receivable	142,393	15,655
Inventories	<u>15,058</u>	<u>6,412</u>
Total Assets	<u><u>\$ 359,729</u></u>	<u><u>\$ 170,205</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 82,361	\$ -
Accrued liabilities	1,688	2,179
Due to other governments	149	123
Unearned revenues	<u>76,823</u>	<u>103,265</u>
Total Liabilities	<u>161,021</u>	<u>105,567</u>
Fund balance		
Nonspendable	15,058	6,412
Assigned	<u>183,650</u>	<u>58,226</u>
Total Fund Balance	<u>198,708</u>	<u>64,638</u>
Total Liabilities and Fund Balance	<u><u>\$ 359,729</u></u>	<u><u>\$ 170,205</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

School Lunch Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2026</u>	<u>2025</u>
REVENUES		
State aid	\$ 604,697	\$ 8,341
Federal aid	253,856	215,693
Food sales	202,405	572,859
Miscellaneous	<u>-</u>	<u>11</u>
Total Revenues	1,060,958	796,904
EXPENDITURES		
Current		
Cost of food sales	<u>1,156,888</u>	<u>920,206</u>
Deficiency of Revenues Over Expenditures	(95,930)	(123,302)
OTHER FINANCING SOURCES		
Transfers in	<u>230,000</u>	<u>130,000</u>
Net Change in Fund Balance	134,070	6,698
FUND BALANCE		
Beginning of Year	<u>64,638</u>	<u>57,940</u>
End of Year	<u><u>\$ 198,708</u></u>	<u><u>\$ 64,638</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Miscellaneous Special Revenue Fund
Comparative Balance Sheet
June 30,

	<u>2026</u>	<u>2025</u>
ASSETS		
Cash and equivalents	<u>\$ 205,737</u>	<u>\$ 190,586</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other governments	\$ 759	\$ 764
 Fund balance		
Restricted	<u>204,978</u>	<u>189,822</u>
 Total Liabilities and Fund Balance	<u>\$ 205,737</u>	<u>\$ 190,586</u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Miscellaneous Special Revenue Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	2026	2025
REVENUES		
Use of money and property	\$ 484	\$ 876
Miscellaneous	179,500	188,511
Total Revenues	179,984	189,387
EXPENDITURES		
Current		
Other	164,828	202,775
Excess (Deficiency) of Revenues Over Expenditures	15,156	(13,388)
FUND BALANCE		
Beginning of Year	189,822	203,210
End of Year	\$ 204,978	\$ 189,822

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2026</u>	<u>2025</u>
ASSETS		
Cash and equivalents	\$ 1,471,254	\$ 1,207,743
Due from other funds	<u>41,635</u>	<u>151,297</u>
Total Assets	<u><u>\$ 1,512,889</u></u>	<u><u>\$ 1,359,040</u></u>
FUND BALANCE		
Restricted	<u><u>\$ 1,512,889</u></u>	<u><u>\$ 1,359,040</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Debt Service Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2026</u>	<u>2025</u>
REVENUES		
Use of money and property	\$ 50,281	\$ 155,752
Miscellaneous	<u>512,060</u>	<u>408,492</u>
Total Revenues	562,341	564,244
OTHER FINANCING SOURCES (USES)		
Transfers in	-	494,286
Transfers out	<u>(408,492)</u>	<u>(125,544)</u>
Total Other Financing Sources (Uses)	<u>(408,492)</u>	<u>368,742</u>
Net Change in Fund Balance	153,849	932,986
FUND BALANCE		
Beginning of Year	<u>1,359,040</u>	<u>426,054</u>
End of Year	<u><u>\$ 1,512,889</u></u>	<u><u>\$ 1,359,040</u></u>

See independent auditors' report.

Croton-Harmon Union Free School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2026

Adopted Budget	\$ 60,996,050
Additions - Encumbrances	<u>1,038,728</u>
Original Budget	62,034,778
Budget Amendments	<u>1,967,780</u>
Final Budget	<u><u>\$ 64,002,558</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

2026-27 Expenditure Budget	<u>\$ 62,762,808</u>
----------------------------	----------------------

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

Unrestricted fund balance

Assigned fund balance \$ 4,214,395

Unassigned fund balance 2,510,512Total Unrestricted Fund Balance 6,724,907

Less

Appropriated for subsequent year's budget 2,716,925

Encumbrances 1,497,470Total Adjustments 4,214,395General Fund Fund Balance Subject to
Section 1318 of Real Property Tax Law\$ 2,510,512Actual Percentage 4.00%

See independent auditors' report.

Croton-Harmon Union Free School District, New York

Schedule of Net Investment in Capital Assets

June 30, 2026

Capital Assets, net		\$ 105,440,914
Less		
General obligation bonds payable	\$ (3,630,000)	
Energy performance contract payable	(2,581,317)	
Bond anticipation notes payable	(39,839,766)	
Accounts payable	(1,165)	
Unamortized portion of issuance premium on bonds	<u>(268,031)</u>	(46,320,279)
Plus		
Unexpended bond proceeds		<u>1,589,408</u>
Net Investment in Capital Assets		<u><u>\$ 60,710,043</u></u>

See independent auditors' report.

(This page intentionally left blank)

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

Independent Auditors' Report

**The Board of Education of the
Croton-Harmon Union Free School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Croton-Harmon Union Free School District, New York ("School District") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 7, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 7, 2026