

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the School District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See "TAX MATTERS" herein.)

The Notes will NOT be deemed "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.



\$8,000,000

OSSINING UNION FREE SCHOOL DISTRICT

WESTCHESTER COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$8,000,000 Bond Anticipation Notes for Library Purposes - 2026

(the "Notes")

Dated: April 23, 2026

Due: April 23, 2027

The Notes are general obligations of the Ossining Union Free School District, Westchester County, New York (the "School District" or "District"). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" herein. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

At the option of the purchaser(s), the Notes will be issued in (i) registered certificated form registered in the name of the purchaser(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, Jersey City, New Jersey ("DTC").

If the Notes are registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Hawkins Delafield & Wood LLP, Bond Counsel, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or at such place as may be agreed upon with the purchaser(s) on or about April 23, 2026.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on April 9, 2026 by no later than 10:45 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

April 6, 2026

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX C – UNDERTAKING TO PROVIDE NOTICES OF EVENTS" HEREIN.

OSSINING UNION FREE SCHOOL DISTRICT WESTCHESTER COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2025-2026 BOARD OF EDUCATION

CHRISTINE MANGIAMELE
President

ROGER BATTACHARIA
Vice President

KATHERIN CROSSLING
ROBERT MELSTEIN
MELISSA BANTA
QURATUL GOMEZ
FRANK SCHNECKER

* * * * *

MARY FOX-ALTER
Superintendent of Schools

ALITA MCCOY
Assistant Superintendent for Business



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

HAWKINS

HAWKINS DELAFIELD & WOOD LLP
Bond Counsel

No person has been authorized by the Ossining Union Free School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. The information, estimates, and expressions of opinion herein are subject to change without notice, and the delivery of this Official Statement shall not, under any circumstances, create any implication that there has been no change in the affairs of the Ossining Union Free School District.

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT
OF THE
OSSINING UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK
RELATING TO**

\$8,000,000 Bond Anticipation Notes for Library Purposes - 2026

This Official Statement, which includes the cover page and appendices, has been prepared by the Ossining Union Free School District, Westchester County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the School District of \$8,000,000 principal amount of Bond Anticipation Notes for Library Purposes - 2026 (herein referred to as the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

NATURE OF OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limit Law"), imposes a limitation on the power of local governments and school districts, including the District, increase their annual tax levy. The amount of such year-to-year increase limited by the formulas set forth in the Tax Levy Limit Law. However, the Tax Levy Limit Law, as amended, expressly provides an exception from the annual tax levy limitation for any taxes levied to pay the local share of debt service on notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such notes. As the Notes are being issued to finance voter approved capital expenditures, the Notes qualify for such exception to the annual tax levy limitation. (See "Tax Levy Limitation Law" herein).

THE NOTES

Description of the Notes

The Notes are general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation to rate or amount. See "NATURE OF OBLIGATION" herein.

The Notes will be issued and dated and will mature, without option of prior redemption, as reflected on the cover page hereof.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution of the District dated October 22, 2025 authorizing the issuance of \$30,000,000 obligations of the District to pay the cost of the construction of improvements and alterations to the Ossining Public Library building and site.

The proceeds of the Notes will provide \$8,000,000 in new monies for the aforementioned purpose

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, a limited-purpose trust company organized under the New York Banking Law, is a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The Ossining Union Free School District is located in Westchester County, approximately 30 miles north of New York City. The District encompasses an area of approximately 11 square miles and according to the 2023 US Census estimate, has a population of 36,465. The greater portion of the District is located in the Town of Ossining, with smaller portions being encompassed in the Towns of New Castle and Yorktown.

The District is serviced by New York State Routes 133, 134, 9 and 9A. In addition the Taconic State Parkway lies along the eastern edge of the District, which connects the District to the Hudson Valley, Albany and New York City. Commuters traveling to New York City are served by the Metro-North Commuter Rail Division of the Metropolitan Transportation Authority. Domestic and international air service is provided by Westchester County Airport, Stewart International Airport in Orange County, Kennedy International and LaGuardia Airports in New York City and Newark Airport in New Jersey.

The District is primarily suburban residential in character. The Town and Village of Ossining provide the police protection and sewer and water facilities. Ambulance service and fire protection is provided by community volunteers. Consolidated Edison and the New York State Power Authority supply electricity and gas to the area.

Source: District Officials.

Population

The current estimated population of the District is 36,465.

Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimate.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Towns and County listed below. The figures set below with respect to the Town, County and State are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns, County or State are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Towns of:						
Ossining	\$ 43,721	\$ 54,888	\$ 64,623	\$100,946	\$ 117,015	\$ 145,083
New Castle	93,183	105,769	123,827	210,457	250,000+	250,000+
Yorktown	44,667	57,138	72,218	115,512	142,743	200,380
County of:						
Westchester	47,814	57,953	72,705	100,863	126,992	156,822
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2020-2024 American Community Survey data.

Note: The 2021-2025 American Community Survey data is unavailable as of the date of this Official Statement.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Westchester County. The information set forth below with respect to Westchester County and the State is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that Westchester County or the State is necessarily representative of the District, or vice versa.

	<u>Annual Average</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Westchester County	3.9%	3.6%	8.0%	4.7%	3.0%	3.0%	3.3%
New York State	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%

	<u>2025 Monthly Figures</u>											
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Westchester County	3.6%	3.9%	3.4%	2.6%	2.7%	2.9%	3.4%	3.7%	3.6%	N/A	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.7%	3.5%	3.8%	4.6%	4.7%	4.7%	N/A	N/A	N/A

Note: County and State unemployment rates for October, November, and December 2025 are not available as of the date of this Official statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, and other laws generally applicable to the District.

The legislative power of the District is vested in the Board of Education. Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members of the Board of Education. They are generally elected for staggered terms of three years.

In early July of each year, the Board of Education meets for the purpose of reorganization. At that time, the Board elects a President and Vice President, and appoints a District Clerk and District Treasurer.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools and the Assistant Superintendent for Business.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 (“Chapter 97”), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Vote Results

The budget for the 2024-2025 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 980 to 314. The District’s adopted budget for the 2024-2025 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The tax levy increase was 3.28% for the 2024-2025 fiscal year. The District’s tax levy limit was 3.28%.

The budget for the 2025-2026 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 846 to 223. The District’s adopted budget for the 2025-2026 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The tax levy increase was 1.67% for the 2025-2026 fiscal year. The District’s tax levy limit was 1.67%.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the “GML”), the District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District; (5) certificates of participation issued in connection with installment purchase contracts entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public A- 11 benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments or investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in the custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Board of Education of the District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 32.52% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

In addition to the amount of State aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

There can be no assurance that the State’s financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. With the exception of the State’s fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline, the State’s fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State’s fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Federal Aid Received by the State

The State receives a substantial amount of Federal aid for health care, education, transportation and other governmental purposes, as well as Federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this Federal aid may be subject to change under the Federal administration and Congress. Current Federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that considers a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2026-2027 preliminary building aid ratios, the District expects to receive State building aid of approximately 67.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State Aid History

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included \$29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School District fiscal year (2023-2024): The State’s 2023-24 Enacted Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%, which was the highest level of State aid to date. The States 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State’s 2023-24 Enacted Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional \$150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State’s 2024-25 Enacted Budget provided \$35.9 billion in State funding to school districts for the 2024-25 school year. This represented an increase of \$1.3 billion compared to the 2023-24 school year and included a \$934 million or 3.89 percent Foundation Aid increase. The State’s 2024-25 Enacted Budget maintained the “save harmless” provision, which ensured a school district received at least the same amount of Foundation Aid as it received in the prior year. The State’s 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State’s 2025-26 Budget includes approximately \$37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of \$1.7 billion. The State’s 2025-26 Budget provides an estimated \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State’s 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State’s 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a “general fund imbalance” has or is expected to occur in fiscal year 2025-26. Specifically, the State’s 2025-26 Enacted Budget provides that a “general fund imbalance” has occurred, and the State Budget Director’s powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State’s 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity v. New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The *Campaign for Fiscal Equity* decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 in *New Yorkers for Students’ Educational Rights v. State of New York (“NYSER”)* and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs’ causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the *Campaign for Fiscal Equity* case that absent “gross education inadequacies”, claims regarding state funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the *New Yorkers for Students’ Educational Rights v. New York State* case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic *Campaign for Fiscal Equity* cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law.

A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts
- FY 2025: Funding the full amount of Foundation Aid for all school districts
- FY 2026: \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and a 2% minimum increase in Foundation Aid to all school districts

The State’s 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2020-2021	\$ 133,900,735	\$ 24,774,768	18.50%
2021-2022	139,692,004	29,718,796	21.27
2022-2023	149,716,818	38,786,654	25.91
2023-2024	163,931,690	51,462,363	31.39
2024-2025	168,606,535	54,031,510	32.05
2025-2026 (Budgeted)	171,984,600	55,925,095	32.52

⁽¹⁾ Does not include interfund transfers, appropriated fund balance or reserves where applicable.

Source: 2020-2021 through and including the 2024-2025 audited financial statements and budget of the District for the 2025-2026 fiscal year. This table is not audited.

District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Park Early Childhood	Pre-K & K	681	1939
Brookside School	1-2	800	1955
Claremont School	3-4	682	1955
Anne M. Dorner Middle School	6-8	1,187	1965
Ossining High School	9-12	1,130	1929
Roosevelt Education Center	5	189	1922

Source: School District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-2022	5,031	2026-2027	5,033
2022-2023	4,905	2027-2028	5,034
2023-2024	4,720	2028-2029	5,011
2024-2025	4,965	2029-2030	4,974
2025-2026	4,979	2030-2031	4,974

Source: School District Long Range Planning Study. Enrollment figures reflect grades Pre-K-12

Source: District officials.

Employees

The School District employs a total of over 1,000 employees with representation by various unions as follows:

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
28	Ossining Association of Administrators & Supervisors	June 30, 2027
503	Ossining Teachers Association	June 30, 2029
107	Civil Service Employees Association	June 30, 2028
227	Ossining Support Staff	June 30, 2026 ⁽¹⁾

⁽¹⁾Negotiations to begin in February 2026.

Source: District officials.

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Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Effective April 20, 2024, this final average salary calculation for ERS Tier VI members has been changed from five years to the three highest consecutive years of earnings. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The District is required to contribute at an actuarially determined rate. The actual contributions for the fiscal years 2020-2021 through and including 2024-2025 and budgeted figures for the 2025-2026 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 1,396,259	\$ 5,265,414
2021-2022	1,487,876	5,937,527
2022-2023	946,440	6,274,887
2023-2024	1,235,700	6,359,791
2024-2025	1,609,528	6,187,198
2025-2026 (Budgeted)	1,988,369	7,444,738

Source: District records.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District does not currently have any early retirement incentive programs.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2021-22 to 2025-26) is shown below:

<u>State Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2021-22	16.2%	9.80%
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The District is not amortizing any pension payments, nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District's employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALS"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALS could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a TRS reserve fund on May 1, 2019.

Other Post Employee Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires District’s to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

Summary of Changes from the Last Valuation. The District contracted with Burke Group to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2024 and June 30, 2025.

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

	2023	2024
Balance beginning at June 30:		
<u>Changes for the year:</u>	<u>\$ 331,650,989</u>	<u>\$ 354,471,202</u>
Service cost	8,693,419	10,087,779
Interest	12,522,914	14,107,469
Differences between expected and actual experience	20,787,378	(18,153,864)
Changes in assumptions or other inputs	(10,133,110)	(22,030,605)
Changes of benefit terms	-	5,987
Benefit payments	(9,050,388)	(10,099,965)
Net Changes	<u>\$ 22,820,213</u>	<u>\$ (26,083,199)</u>
Balance ending at June 30:		
	<u>\$ 354,471,202</u>	<u>\$ 328,388,003</u>

Note: The above table is not audited. For additional information see “APPENDIX - C” attached hereto.

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the District's audited financial statements for the fiscal years ending June 30, 2024 and June 30, 2025.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which bonds and notes are to be issued is the Education Law and the Local Finance Law.

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2025, and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office has not released an audit of the District within the last five years. There are currently no pending audits of the District by the State Comptroller's office.

Note: Reference to website implies no warranty of accuracy of information therein.

The State Comptroller’s Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “Significant Fiscal Stress”, in “Moderate Fiscal Stress,” as “Susceptible Fiscal Stress” or “No Designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “No Designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past five fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2025	No Designation	0.0
2024	No Designation	0.0
2023	No Designation	0.0

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year:</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
Towns of:					
Ossining	\$ 3,768,624,691	\$ 3,810,822,758	\$ 4,706,735,920	\$ 4,707,840,115	\$ 5,007,565,650
New Castle	68,750,487	68,903,161	69,566,571	70,308,199	72,127,610
Yorktown	<u>2,770,931</u>	<u>2,770,749</u>	<u>2,799,855</u>	<u>2,771,772</u>	<u>2,799,722</u>
Total Assessed Values	<u>\$ 3,840,146,109</u>	<u>\$ 3,882,496,668</u>	<u>\$ 4,779,102,346</u>	<u>\$ 4,780,920,086</u>	<u>\$ 5,082,492,982</u>

State Equalization Rates

Towns of:					
Ossining	100.00%	100.00%	100.00%	100.00%	100.00%
New Castle	19.06%	19.38%	16.75%	14.80%	14.07%
Yorktown	2.23%	2.12%	1.93%	1.72%	1.77%

Taxable Full Valuations

Towns of:					
Ossining	\$ 3,768,624,691	\$ 3,810,822,758	\$ 4,706,735,920	\$ 4,707,840,115	\$ 5,007,565,650
New Castle	360,705,598	355,537,466	415,322,812	475,055,399	512,634,044
Yorktown	<u>124,256,996</u>	<u>130,695,708</u>	<u>145,070,207</u>	<u>161,149,535</u>	<u>158,176,384</u>
Total Taxable Full Valuation	<u>\$ 4,253,587,285</u>	<u>\$ 4,297,055,932</u>	<u>\$ 5,267,128,939</u>	<u>\$ 5,344,045,049</u>	<u>\$ 5,678,376,078</u>

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year:</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
Towns of:					
Ossining	\$ 25.191	\$ 23.920	\$ 21.269	\$ 19.865	\$ 19.008
New Castle	132.17	123.43	126.98	134.22	135.10
Yorktown	1,129.66	1,128.30	1,102.00	1,154.94	1,073.92
Library					
Ossining	\$ 1.0311	\$ 1.0060	\$ 0.9124	\$ 0.8442	\$ 0.8123
New Castle	5.41	5.19	5.45	5.70	5.77
Yorktown	46.24	47.45	47.27	49.08	45.89

Source: District officials.

Tax Levy and Tax Collection Record

<u>Fiscal Year:</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
District	\$ 103,302,309	\$ 102,785,797	\$ 102,785,797	\$ 106,159,379	\$ 107,936,403
Library	4,228,290	4,322,707	4,409,161	4,511,583	4,612,399
Total Levy	\$ 107,530,599	\$ 107,108,504	\$ 107,194,958	\$ 110,670,962	\$ 112,548,802
Amount Uncollected ⁽¹⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

(1) See “Tax Collection Procedure” herein.

Tax Collection Procedure

District taxes are collected by the Receivers of Taxes of the Towns of Ossining, New Castle and Yorktown. Taxes are paid in two installments. The first installment is due and payable without penalty during the month of September, subject to a 2% penalty if paid during October, 5% penalty if paid in November, 7% penalty if paid during December or January, 10% penalty if paid during February or March, and 12% penalty thereafter to the date of sale of tax liens for unpaid taxes. The second half installment is due in January without penalty. Penalties for the January payment are 10% if paid in February and March, and 12% thereafter to date of sale of tax liens. All tax monies due to the District, whether collected or not, are required to be paid in full by the respective Town to the District by April 5 of each year, thereby assuring the District 100% collection of its tax levy annually.

Source: District officials.

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Sales and Compensating Use Taxes

The District cannot impose its own sales tax. However, in July, 1991 the State approved legislation which authorized the County to impose an additional 1% sales tax in localities other than cities which impose their own sales tax. The additional 1% sales tax is apportioned between the County (33-1/3%), school districts in the County (16-2/3%), and towns, villages and cities (which have not imposed sales taxes) in the County (50%).

The sales and compensating use tax collections as received by the District since the imposition of the additional 1% sales tax are as follows:

Fiscal Year Ending <u>June 30th</u>	Amount <u>Received</u>
2013	\$ 1,682,745
2014	1,773,244
2015	1,768,476
2016	1,800,051
2017	1,824,392
2018	1,950,195
2019	1,997,807
2020	2,646,979
2021	3,217,654
2022	3,527,466
2023	3,777,021
2024	3,927,813
2025	3,975,453

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total Real Property Taxes</u> ⁽²⁾	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2020-2021	\$ 133,900,735	\$ 92,446,115	69.04%
2021-2022	139,692,004	93,332,574	66.81
2022-2023	149,716,818	93,536,120	62.48
2023-2024	163,931,690	94,573,168	57.69
2024-2025	168,606,535	98,567,452	58.46
2025-2026 (Budgeted)	171,984,600	107,936,403	62.76

⁽¹⁾ Does not include interfund transfers, appropriated fund balance or reserves where applicable.

⁽²⁾ Does not include portion of the tax levy exempted by STAR. See "STAR – School Tax Exemption" herein.

Source: 2020-2021 through and including the 2024-2025 audited financial statements and budget of the District for the 2025-2026 fiscal year. This table is not audited.

Larger Taxpayers - 2026 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Con Edison Co of N Y	Utility	\$ 300,156,200
GGIF Hudson LLC	Apartment	67,471,200
Harbor Square Crossings LLC	Apartment	56,649,000
Urstadt Biddle Properties Inc	Shopping Center	49,904,900
State of New York	Correctional Facility	43,086,900
Crotonville Owner LLC (The Old "Ge" Property)	Training Facility	39,500,000
Scarborough Manor Owners	Co-op	34,328,100
Parkview Apartments Corp	Apartment	27,120,200
High Meadow Coop No 1	Co-op	25,470,400
Cortlandt Living LLC	Apartment	22,422,300

The larger taxpayers listed above have a total full valuation of \$666,109,200 which represents 11.7% of the 2025-2026 tax base of the School District.

The District does not currently have any pending or outstanding tax certioraris that are known to have a material impact on the District.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$107,300 or less in the 2025-2026 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$86,100 of the full value of a home for the 2025-2026 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

The 2019-2020 State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

The 2020-2021 State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District 2025-2026 tax roll:

<u>Municipality</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Ossining	\$ 234,920	\$ 81,850	10/16/2024
New Castle	33,430	12,320	10/16/2024
Yorktown	3,820	1,340	10/16/2024

\$7,591,927 of the District’s \$106,159,379 school tax levy for the 2024-2025 fiscal year was exempt by the STAR Program. The District received all of such exempt taxes from the State by January, 2025.

\$7,159,074 of the District’s \$107,936,403. school tax levy for the 2025-2026 fiscal year is expected to be exempt by the STAR Program. The District has received all of such exempt taxes from the State in January, 2026.

Additional Tax Information

Real property located in the School District is assessed by the Towns.

Senior citizens' and disability exemptions are offered to those who qualify.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011, as amended, (herein referred to as the “Tax Levy Limit Law” or “Law”) modified previous law by imposing a limit on the amount of real property taxes that a school district may levy.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

The Tax Levy Limit Law imposes 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 consumer price index, as described in the Law. 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 increase in excess of the limit. In the event the voters reject the budget, or a subsequent resubmitted 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.

The 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 (such as the Notes) and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the 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. (See “Nature of Obligation” herein).

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment unless the District determines to issue debt amortized on the basis of substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds.

Debt Limit. The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The District has complied with this estoppel procedure in connection with the Notes.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 37,165,000	\$ 33,415,000	\$ 30,350,000	\$ 27,330,000	\$ 24,180,000
Bond Anticipation Notes	0	0	0	0	0
Energy Performance Contract	<u>3,189,063</u>	<u>2,868,945</u>	<u>2,540,784</u>	<u>9,649,070</u>	<u>9,019,122</u>
Total Debt Outstanding	<u>\$ 40,354,063</u>	<u>\$ 36,283,945</u>	<u>\$ 32,890,784</u>	<u>\$ 36,979,070</u>	<u>\$ 33,199,122</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds as of April 6, 2026:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2026-2036	<u>\$ 22,035,000</u>
	Total Indebtedness	<u>\$ 22,035,000</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of April 6, 2026:

Full Valuation of Taxable Real Property \$ 5,678,376,078
 Debt Limit 10% thereof 567,837,607

Inclusions:

Bonds.....\$ 22,035,000
 Bond Anticipation Notes (BANs):..... 0
 Total Inclusions prior to issuance of the Notes 22,035,000
 Less: BANs being redeemed from appropriations (0)
 Add: New money proceeds of the Notes 8,000,000
 Total Net Inclusions after issuance of the Notes \$ 30,035,000

Exclusions:

State Building Aid ⁽¹⁾ \$ 0
 Total Exclusions \$ 0

Total Net Indebtedness \$ 30,035,000

Net Debt-Contracting Margin \$ 537,802,607

The percent of debt contracting power exhausted is 5.29%

⁽¹⁾ Based on preliminary 2026-2027 building aid estimates, the District anticipates State Building aid of 67.0% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Bonded Debt Service

A schedule of bonded debt service may be found attached hereto as “APPENDIX – B” to this Official Statement.

Lease Financing Obligation

The following is a summary of the District’s debt service requirements for its lease liabilities as of June 30, 2025:

Fiscal Year	Principal	Interest	Total
2026	\$ 622,731	\$ 21,026	\$ 643,757
2027	574,306	6,610	580,916
TOTAL	\$ 1,197,037	\$ 27,636	\$ 1,224,673

Source: Audited Financial Statements for the fiscal year ended June 30, 2025.

Capital Project Plans

On September 24, 2024, District voters approved a capital project referendum in the amount of \$210,215,771 consisting of the construction of improvements, alterations and/or additions to various District buildings and the construction of a new 7th and 8th grade building. The District will finance the project with the expenditure of \$12,215,819 from the capital reserve fund and the issuance of \$197,999,952 bond anticipation notes and serial bonds. Borrowings for the project will commence upon approval from the State Education Department and as construction cash flow needs warrant.

On September 16, 2025, District voters approved a capital project referendum in the amount of \$30,000,000 consisting of the construction of improvements and alterations to the Ossining Public Library. The District will finance the project with the issuance of \$30,000,000 bond anticipation notes and serial bonds. The Notes will provide \$8,000,000 new money as the initial borrowing against this authorization.

Cash Flow Borrowings

The District, historically, does not issue tax anticipation notes and/or revenue anticipation notes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes outstanding of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Westchester	12/31/2024	\$ 1,431,627,056 ⁽³⁾	\$ 360,285,394	\$ 1,071,341,662	2.05%	\$ 21,962,504
Towns of:						
Ossining	7/8/2025	6,730,983 ⁽³⁾	795,459	5,935,524	72.33%	4,293,165
New Castle	12/31/2024	13,160,000 ⁽³⁾	6,384,747	6,775,253	6.46%	437,681
Yorktown	7/17/2025	11,554,300 ⁽³⁾	2,072,150	9,482,150	2.10%	199,125
Villages of:						
Ossining	8/21/2025	63,777,915 ⁽³⁾	48,402,739	15,375,176	100.00%	15,375,176
Briarcliffe Manor	11/26/2025	38,694,033 ⁽³⁾	9,896,799	28,797,234	47.93%	13,802,514
					Total:	<u>\$ 56,070,165</u>

Notes:

- (1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of April 6, 2026:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 30,035,000	\$ 823.67	0.53%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	86,105,165	2,361.31	1.52

- ^(a) The current estimated population of the District is 36,465. (See “THE SCHOOL DISTRICT - Population” herein.)
- ^(b) The District's full value of taxable real estate for the 2025-2026 fiscal year is \$5,678,376,078. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)
- ^(c) See "Debt Statement Summary" herein.
- ^(d) Estimated net overlapping indebtedness is \$56,070,165. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

The Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District’s contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder’s and/or noteholder’s remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State’s highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of obligations, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the School District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the School District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The School District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE SCHOOL DISTRICT - State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein.

Cybersecurity. The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

TAX MATTERS

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the bond premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Note, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – E" hereto.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs, including tax certiorari proceedings. There are pending tax certiorari proceedings, the results of which may require the payment of future tax refunds by the School District if existing assessment rolls are modified based upon the outcome of the proceedings. However, the amount of these possible refunds cannot be determined at the present time. The School District has established a tax certiorari reserve fund for the purpose of paying for such refunds. Any payments resulting from adverse decisions will be funded in the year the payment is made. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the District.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to provide Material Event Notices, a description of which is attached hereto as "APPENDIX – C".

Historical Compliance

The District failed to file its Audited Financial Statements and Annual Financial Information and Operating Data ("AFIOD") for fiscal year ending June 30, 2023, within 180 days of the close of the succeeding fiscal year. The Audited Financial Statement and AFIOD for the fiscal year ending June 30, 2023 were due to be filed to EMMA no later than December 27, 2023. The District filed its Audited Financial Statement on January 4, 2024 and its Annual Financial Information and Operating Data on January 24, 2024.

Other than as stated above, the District has maintained compliance, in all material respects, within the last five years with each of its undertakings under Rule 15c2-12.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

BOND RATING

Moody's Investors Service ("Moody's") has assigned their underlying rating of "Aa2" to the District's outstanding bonds. A rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Hawkins Delafield & Wood, LLP, New York, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Alita McCoy Zuber, Assistant Superintendent for Business, Ossining Union Free School District, 400 Executive Boulevard, Ossining, New York 10562, Phone: (914) 941-7700 x 1338, Email: azuber@ossiningufsd.org

This Official Statement has been duly executed and delivered by the President of the Board of Education of the Ossining Union Free School District.

OSSINING UNION FREE SCHOOL DISTRICT

Dated: April 6, 2026

CHRISTINE MANGIAMELE
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Year Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
ASSETS					
Cash and Cash Equivalents	\$ 62,426,663	\$ 66,665,693	\$ 64,962,989	\$ 65,828,858	\$ 51,548,951
State and Federal Aid Receivable	3,768,292	3,443,751	3,120,420	4,298,550	4,585,249
Due from Other Funds	2,207,639	1,393,026	3,363,360	-	2,658,331
Accounts Receivable	115,631	130,620	140,358	202,809	112,744
Due from Other Governments	912,207	1,046,360	1,170,356	1,249,377	1,365,210
Advance to Other Funds	-	-	-	-	-
Prepaid Expenditures	1,476,666	1,614,325	1,877,133	2,161,541	2,218,197
TOTAL ASSETS	\$ 70,907,098	\$ 74,293,775	\$ 74,634,616	\$ 73,741,135	\$ 62,488,682
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 1,686,117	\$ 2,918,145	\$ 2,065,564	\$ 1,273,604	\$ 2,344,020
Accrued Liabilities	747,613	725,414	781,656	782,331	801,475
Due to Other Funds	46,254	102,000	2,757,469	1,481,858	5,356,096
Due to Other Governments	-	26,427	-	5,134	9,302
Due to Retirement Systems	6,269,183	6,411,685	7,040,080	6,910,536	6,963,955
Employee payroll deductions	141,289	224,186	255,344	314,510	333,319
Compensated Absences	-	-	-	-	-
Unearned Revenue	72,576	51,417	52,801	49,118	49,118
TOTAL LIABILITIES	8,963,032	10,459,274	12,952,914	10,817,091	15,857,285
FUND EQUITY					
Nonspendable	\$ 1,476,666	\$ 1,614,325	\$ 1,877,133	\$ 2,161,541	\$ 2,218,197
Restricted	39,912,786	47,115,890	47,407,856	47,725,931	26,291,148
Committed	-	-	-	-	-
Assigned	5,725,772	9,042,690	5,716,592	5,825,939	10,975,543
Unassigned	14,828,842	6,061,596	6,680,121	7,210,633	7,146,509
TOTAL FUND EQUITY	61,944,066	63,834,501	61,681,702	62,924,044	46,631,397
TOTAL LIABILITIES & FUND EQUITY	\$ 70,907,098	\$ 74,293,775	\$ 74,634,616	\$ 73,741,135	\$ 62,488,682

Source: Audited financial reports of the District. Summary itself not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
Real Property Taxes	\$ 90,295,770	\$ 92,446,115	\$ 93,332,574	\$ 93,536,120	\$ 94,573,168
Other Tax Items	12,709,230	11,558,608	10,614,051	9,296,901	8,332,323
Non-Property Tax Items	2,646,979	3,217,654	3,527,466	3,777,021	3,927,813
Charges for Services	443,579	218,796	340,341	306,834	326,015
Use of Money & Property	850,319	206,680	138,015	2,871,895	4,565,110
Sale of Property and Compensation for Loss	104	9,453	3,674	17,947	107,746
Miscellaneous	643,245	746,381	947,138	505,178	534,034
Interfund Revenues	34,929	32,887	1,006	910	-
Revenues from State Sources	25,788,667	24,774,768	29,718,796	38,786,654	51,462,363
Revenues from Federal Sources	182,359	689,393	1,068,943	617,358	103,118
Total Revenues	<u>\$ 133,595,181</u>	<u>\$ 133,900,735</u>	<u>\$ 139,692,004</u>	<u>\$ 149,716,818</u>	<u>\$ 163,931,690</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,507,467</u>	<u>-</u>
Total Revenues and Other Sources	<u>\$ 133,595,181</u>	<u>\$ 133,900,735</u>	<u>\$ 139,692,004</u>	<u>\$ 151,224,285</u>	<u>\$ 163,931,690</u>
EXPENDITURES					
General Support	\$ 12,268,569	\$ 12,602,817	\$ 12,422,715	\$ 12,655,136	\$ 12,913,373
Instruction	68,763,081	69,055,355	72,999,525	79,556,841	83,972,666
Pupil Transportation	6,314,647	6,211,490	8,436,582	9,604,541	10,216,405
Community Services	29,250	14,608	17,727	24,649	295,491
Employee Benefits	27,417,645	28,454,495	30,470,282	33,277,008	36,952,167
Debt Service	-	-	1,073,710	988,381	796,580
Total Expenditures	<u>\$ 114,793,192</u>	<u>\$ 116,338,765</u>	<u>\$ 125,420,541</u>	<u>\$ 136,106,556</u>	<u>\$ 145,146,682</u>
Other Uses:					
Interfund Transfers	<u>11,959,823</u>	<u>11,969,653</u>	<u>12,381,028</u>	<u>17,270,528</u>	<u>17,542,666</u>
Total Expenditures and Other Uses	<u>126,753,015</u>	<u>128,308,418</u>	<u>137,801,569</u>	<u>153,377,084</u>	<u>162,689,348</u>
Excess (Deficit) Revenues Over Expenditures	<u>6,842,166</u>	<u>5,592,317</u>	<u>1,890,435</u>	<u>(2,152,799)</u>	<u>1,242,342</u>
FUND BALANCE					
Fund Balance - Beginning of Year	49,509,583	56,351,749	61,944,066	63,834,501	61,681,702
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 56,351,749</u>	<u>\$ 61,944,066</u>	<u>\$ 63,834,501</u>	<u>\$ 61,681,702</u>	<u>\$ 62,924,044</u>

Source: Audited financial reports of the District. Summary itself not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2025			2026
	Original Budget	Final Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes	\$ 106,159,379	\$ 98,567,452	\$ 98,567,452	\$ 107,936,403
Other Tax Items	123,028	7,714,955	7,690,010	98,982
Non Property Tax Items	3,250,000	3,250,000	3,975,453	4,024,576
Charges for Services	477,619	488,619	363,120	285,000
Use of Money & Property	1,471,311	1,471,311	3,325,900	3,287,216
Sale of Property and Compensation for Loss	-	-	34,979	-
Miscellaneous	300,000	343,005	493,060	281,953
Interfund Revenues	45,375	45,375	-	45,375
Revenues from State Sources	51,591,106	51,616,106	54,031,510	55,925,095
Revenues from Federal Sources	156,471	156,471	125,051	100,000
Total Revenues	\$ 163,574,289	\$ 163,653,294	\$ 168,606,535	\$ 171,984,600
Other Sources:				
Interfund Transfers	-	-	-	-
Capital Reserve	7,533,666	29,850,599	-	-
TRS & ERS Reserves	4,157,862	-	-	-
Debt Service	-	-	-	-
Capital Project Closeout	-	-	-	-
Total Revenues and Other Sources	175,265,817	193,503,893	168,606,535	171,984,600
EXPENDITURES				
General Support	\$ 13,290,724	\$ 13,914,376	\$ 12,368,290	\$ 14,636,736
Instruction	93,095,414	92,411,566	88,049,223	95,351,172
Pupil Transportation	11,164,388	11,188,791	10,844,600	11,907,495
Community Services	432,224	504,565	198,396	202,100
Employee Benefits	42,646,756	41,571,487	39,646,085	43,498,942
Debt Service	5,152,645	779,952	779,952	4,014,032
Total Expenditures	\$ 165,782,151	\$ 160,370,737	\$ 151,886,546	\$ 169,610,477
Other Uses:				
Interfund Transfers	14,483,666	33,133,156	33,012,636	9,052,249
Total Expenditures and Other Uses	180,265,817	193,503,893	184,899,182	178,662,726
Excess (Deficit) Revenues Over Expenditures	(5,000,000)	-	(16,292,647)	(6,678,126)
FUND BALANCE				
Fund Balance - Beginning of Year	5,000,000	-	62,924,044	6,678,126
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 46,631,397	\$ -

Source: Audited financial report and budgets of the District. Summary itself not audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	\$ 2,145,000	\$ 864,164	\$ 3,009,164
2027	2,235,000	781,441	3,016,441
2028	2,320,000	695,119	3,015,119
2029	2,410,000	605,271	3,015,271
2030	2,460,000	512,774	2,972,774
2031	2,510,000	418,179	2,928,179
2032	2,605,000	320,234	2,925,234
2033	2,670,000	218,629	2,888,629
2034	2,760,000	112,795	2,872,795
2035	1,510,000	36,008	1,546,008
2036	275,000	10,160	285,160
2037	280,000	3,430	283,430
TOTALS	\$ 24,180,000	\$ 4,578,203	\$ 28,758,203

Note: The table above does not include energy performance contracts currently outstanding. See "Lease Financing Obligation" herein.

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean Ossining Union Free School District, in the County of Westchester, a school district of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of April 23, 2026.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s \$8,000,000 Bond Anticipation Note for Library Purposes-2026, dated April 23, 2026, maturing on April 23, 2027, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;

- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Issuance of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priorities rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **April 23, 2026**.

OSSINING UNION FREE SCHOOL DISTRICT

By _____
President of the Board of Education

**OSSINING UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING JUNE 30, 2025

The Audited Financial Statements, including opinion, were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

**Ossining Union Free
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2025

Ossining Union Free School District, New York

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Ossining Union Free School District, New York

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Independent Auditors' Report

The Board of Education of the
Ossining 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 Ossining Union Free School District, New York ("School District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund 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.

Change in Accounting Policy

We draw attention to Note 2E in the notes to the financial statements which disclose the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "*Compensated Absences*". Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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 judgement 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 judgment, 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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2025, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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 8, 2025

Ossining Union Free School District, New York

Management's Discussion and Analysis (MD&A)
June 30, 2025

Introduction

Our discussion and analysis of the Ossining Union Free School District, New York's ("School District"), financial performance provides an overview of the School District's financial activities for the year ended June 30, 2025. It should be read in conjunction with the basic financial statements, which immediately follows this section, to enhance understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2024 are as follows:

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. The current unassigned fund balance in the General Fund for the 2024-25 fiscal year is 4%.

On the district-wide financial statements, the liabilities, and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at the close of its most recent fiscal year by (\$239,152,425). Of this amount, the unrestricted portion is (\$383,594,357). It represents an increase of (\$25,953,414) from fiscal year 2023-2024. This negative amount takes into consideration recognition of Government Accounting Standards Board ("GASB") Statement No. 75 accrual requirement for Other Postemployment Benefits ("OPEB"). GASB requires the School District to include Other Postemployment Benefits ("OPEB") in the district-wide financial statements. These obligations include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. GASB Statement No. 75 establishes standards for accrual-based measurement and recognition of OPEB expenses over periods that approximate employees' years of active service, as well as the required note disclosures. For the year ending June 30, 2025, the School District's OPEB obligations of \$328,388,003 are reflected as a liability on the district-wide financial statements and impact the total net position calculation. The School District's total net position decreased by \$20,981,565 for the year ended June 30, 2025.

Overview of the Financial Statements

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

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private-sector business.
- The *statement of net position* presents information on all of the School District's assets, liabilities and deferred outflows/inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
- The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *governmental activities* of the School District include instruction, pupil transportation, culture and recreation, community services, cost of food sales, other, interest and general support.

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

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- The School District maintains a *proprietary fund*, which is an *internal service fund*, to account for its dental benefits. *Internal Service funds* are used to accumulate and allocate costs internally among the School District's various functions. These funds benefit governmental activities and they have been included within governmental activities in the district-wide financial statements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

- The School District maintains six individual governmental funds, General Fund, Capital Projects Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund and Debt Service Fund. The General, Capital Projects and Special Aid funds are considered major funds and information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds. The remaining funds are non-major funds, and their information is aggregated and presented in a single column as non-major governmental funds.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the respective budget.
- The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statements because the resources of these funds are *not* available to support the School District's programs.

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

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements section of this report.

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Ossining Union Free School District, New York, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$(239,152,425) at the close of the current fiscal year.

Net Position

	June 30,	
	2025	2024
ASSETS		
Current Assets	\$ 120,349,778	\$ 110,550,519
Capital Assets, net	108,733,625	101,395,092
Total Assets	229,083,403	211,945,611
DEFERRED OUTFLOWS OF RESOURCES		
	53,842,746	76,660,956
LIABILITIES		
Current Liabilities	16,350,177	16,057,068
Long-term Liabilities	397,893,884	403,037,136
Total Liabilities	414,244,061	419,094,204
DEFERRED INFLOWS OF RESOURCES		
	107,834,513	87,683,223
NET POSITION		
Net Investment in Capital Assets Restricted	73,974,501	61,864,618
Capital Projects	43,612,799	29,667,418
Debt Service	1,489,359	1,064,450
Tax Certiorari	5,663,756	5,500,853
ERS Retirement Contributions	6,159,603	7,482,115
TRS Retirement Contributions	1,674,248	4,156,713
Liability Claims	1,183,171	175,096
Special Purpose	671,935	661,129
Future Capital Projects	10,012,560	28,897,691
Unrestricted	(383,594,357)	(357,640,943)
Total Net Position	\$ (239,152,425)	\$ (218,170,860)

The largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is 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.

Those assets subject to external restrictions constitute 47% of net assets. The remaining balance is unrestricted net position equals (\$383,594,357). As stated previously, this amount reflects the accrual requirement for Other Postemployment Benefits ("OPEB").

Overall, total net position decreased by \$20,981,565 from the prior year. This is due to the change in accounting principals regarding GASB Statement No. 101 and Compensated Absences.

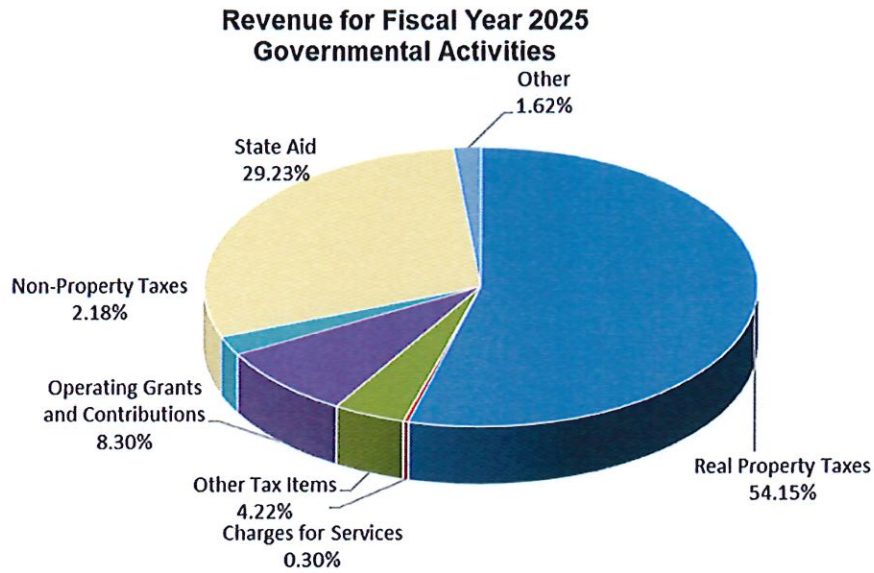
Change in Net Position

	June 30,	
	2025	2024
REVENUES		
Program Revenues		
Charges for Services	\$ 544,532	\$ 500,975
Operating Grants and Contributions	14,679,257	19,754,261
Capital Grants and Contributions	424,909	3,075,592
Total Program Revenues	15,648,698	23,330,828
General Revenues		
Real Property Taxes	98,567,452	94,573,168
Other Tax Items (STAR, PILOTs)	7,690,010	8,332,323
Non-Property Taxes	3,975,453	3,927,813
Unrestricted Use of Money and Property	2,415,478	2,682,369
Unrestricted State Aid	53,218,440	50,671,794
Miscellaneous	526,039	634,629
Total General Revenues	166,392,872	160,822,096
Total Revenues	182,041,570	184,152,924
EXPENSES		
General Support	19,745,610	20,865,100
Instruction	146,236,269	141,247,183
Pupil Transportation	11,996,463	10,896,656
Community Services	198,396	295,491
Cost of Food Sales	3,656,232	3,993,659
Other	560,648	287,851
Interest	1,154,692	1,101,425
Total Expenses	183,548,310	178,687,365
Change in Net Position	(1,506,740)	5,465,559
Cumulative Effect of Change in Accounting Principle	(19,474,825)	-
Net Position - Beginning	(218,170,860)	(223,636,419)
Net Position - Ending	\$ (239,152,425)	\$ (218,170,860)

The major changes are as follows:

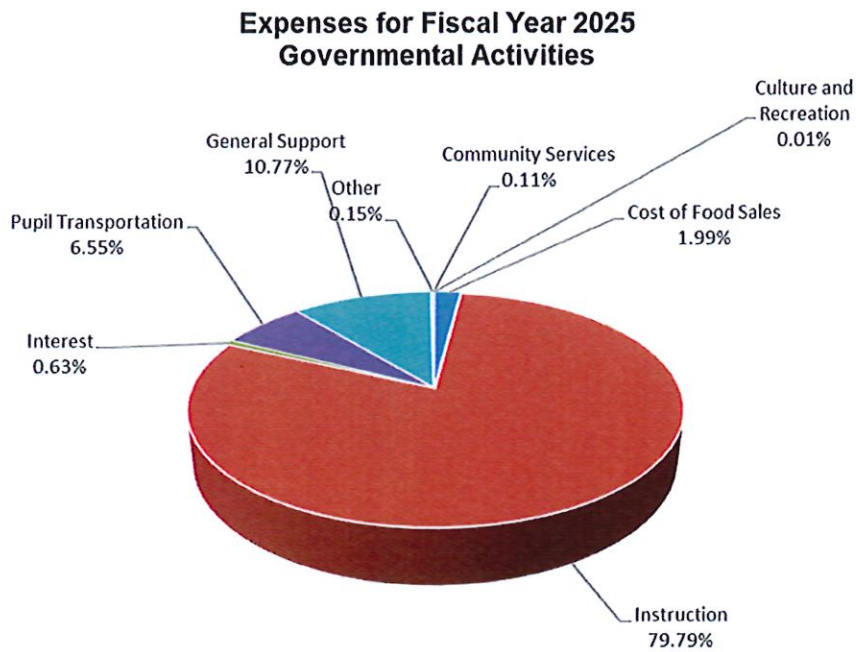
Revenues:

- The largest change in revenue was a decrease in “Operating Grants/Contributions”, which was a \$5M decrease from 2023-2024 School Year.



Expenses:

- Actual expenses were within 5% of the final budget. The difference between the actual and the final budget was \$8,484,191



Financial Analysis of the School District's Funds

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

Governmental Funds

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. In particular, *unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned*. It may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$93,734,333, an decrease of \$1,354,581 from the prior year. Nonspendable fund balance in the amount of \$2,248,551 represents prepaid expenses of \$2,218,197 in the General Fund and \$30,354 for inventory in the school lunch fund. Restricted fund balance of \$72,375,697 includes fund balances with restrictions imposed by grantors, contributors, laws or regulations of other governments. Included in this amount; \$5,663,756 is restricted for Tax Certiorari, \$1,597,810, is restricted for Employee Benefit Accrued Liabilities, \$6,159,603 is restricted for ERS, \$1,674,248 is restricted for TRS Retirement Contributions, \$1,183,171 is restricted for liability claims, \$1,489,359 is restricted for Debt Service, \$43,923,255 is restricted for Capital Projects, \$9,181,309 is restricted for Future Capital Projects, \$394,712 is restricted for Special Purposes and \$277,223 is restricted for extraclassroom. Assigned fund balance includes funds assigned for Purchases on Order, Subsequent Year's Expenditures, and Designation for School Lunch Fund. In assigned fund balance, \$6,678,126 has been designated for subsequent year's expenditures and \$3,534,215 has been designated for Grants and Other Obligations. The remaining unassigned fund balance is available for spending at the School District's discretion.

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General fund was \$46,631,397 of which \$7,146,509 was unassigned.

More detailed information about the School District's fund balance is presented in note 3 in the notes to the financial statements.

General Fund Budgetary Highlights

The adopted budget for fiscal year 2024-2025 was \$180,265,817. During the fiscal year, appropriation transfers were made to the budget to address the operational needs of the School District. The final adjusted budget for the fiscal year ending June 30, 2025 was \$193,503,893.

Capital Assets

At June 30, 2025, the School District had \$108,733,625 net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2025	2024
Land	\$ 935,000	\$ 935,000
Buildings and Improvements	71,910,040	74,201,008
Machinery and Equipment	5,332,583	6,120,605
Leased property and equipment	1,177,900	381,582
Construction-in-Progress	29,378,102	19,756,897
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 108,733,625</u>	<u>\$ 101,395,092</u>

More detailed information about the School District's capital assets is presented in note 3 in the notes to the financial statements.

Long-Term Debt

The School District had general obligation bonds payable and other long-term debt outstanding as follows:

	June 30,	
	2025	2024
General Obligation Bonds payable	\$ 24,180,000	\$ 28,403,511
Energy Performance Contract Payable	9,019,122	9,649,070
Compensated Absences	28,986,085	1,513,463
Leases Payable	1,197,037	310,461
Net Pension Liability	5,292,386	8,689,429
Other Post Employment Benefit Obligations	328,388,003	354,471,202
Total	<u>\$ 397,062,633</u>	<u>\$ 403,037,136</u>

The School District, during the 2024-2025 fiscal year paid \$3,150,000 of principal on serial bonds.

More detailed information about the School District's long-term liabilities is presented in note 3 in the notes to the financial statements.

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 School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Ossining Union Free School District
Attn: Ms. Alita McCoy
Assistant Superintendent for Business
400 Executive Boulevard
Ossining, New York 10562

Ossining Union Free School District, New York

Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 38,482,514
Investments	58,432,421
Receivables	
Accounts	129,013
State and Federal aid	8,868,574
Due from other governments	1,374,193
Prepaid expenses	2,218,197
Net pension asset - TRS	10,814,512
Inventories	30,354
Capital assets	
Not being depreciated	30,313,102
Being depreciated, net	78,420,523
Total Assets	<u>229,083,403</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	157,830
Pension related	28,071,460
OPEB related	25,613,456
Total Deferred Outflows of Resources	<u>53,842,746</u>
LIABILITIES	
Accounts payable	4,410,108
Accrued liabilities	811,054
Employee payroll deductions	333,319
Due to retirement systems	9,246,098
Due to other governments	9,302
Unearned revenues	945,052
Claims payable	46,000
Accrued interest payable	549,244
Non-current liabilities	
Due within one year	16,396,754
Due in more than one year	381,497,130
Total Liabilities	<u>414,244,061</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	14,164,864
OPEB related	93,669,649
Total Deferred Inflows of Resources	<u>107,834,513</u>
NET POSITION	
Net investment in capital assets	73,974,501
Restricted	
Capital projects	43,612,799
Debt service	1,489,359
Tax certiorari	5,663,756
ERS retirement contributions	6,159,603
TRS retirement contributions	1,674,248
Liability claims	1,183,171
Special purposes	671,935
Future capital projects	10,012,560
Unrestricted	<u>(383,594,357)</u>
Total Net Position	<u>\$ (239,152,425)</u>

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

Ossining Union Free School District, New York

Statement of Activities
Year Ended June 30, 2025

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	\$ 19,745,610	\$ -	\$ 910,422	\$ -	\$ (18,835,188)
Instruction	146,236,269	341,120	9,529,409	-	(136,365,740)
Pupil transportation	11,996,463	-	-	-	(11,996,463)
Culture and recreation	13,390	-	-	-	(13,390)
Community services	198,396	22,000	-	-	(176,396)
Cost of food sales	3,656,232	181,412	3,681,362	-	206,542
Other	547,258	-	558,064	-	10,806
Interest	1,154,692	-	-	424,909	(729,783)
Total Governmental Activities	\$ 183,548,310	\$ 544,532	\$ 14,679,257	\$ 424,909	(167,899,612)
General revenues					
Real property taxes					98,567,452
Other tax items					
School tax relief reimbursement					7,591,926
Payments in lieu of taxes					98,084
Non-property taxes					
Non-property tax distribution from County					3,975,453
Unrestricted use of money and property					2,415,478
Sale of property and compensation for loss					34,979
Unrestricted State aid					53,218,440
Miscellaneous					491,060
Total General Revenues					166,392,872
Change in Net Position					(1,506,740)
NET POSITION					
Beginning, as reported					(218,170,860)
Cumulative Effect of Change in Accounting Principle					(19,474,825)
Beginning, as restated					(237,645,685)
Ending					\$ (239,152,425)

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

Ossining Union Free School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2025

	General	Capital Projects	Special Aid
ASSETS			
Cash and equivalents	\$ 7,972,104	\$ 26,319,491	\$ 2,968,016
Investments	43,576,847	14,007,212	-
Receivables			
Accounts	112,744	-	12,352
State and Federal aid	4,585,249	-	3,299,198
Due from other governments	1,365,210	-	8,983
Due from other funds	2,658,331	6,658,517	3,265,714
	<u>8,721,534</u>	<u>6,658,517</u>	<u>6,586,247</u>
Prepaid expenditures	2,218,197	-	-
Inventories	-	-	-
Total Assets	<u>\$ 62,488,682</u>	<u>\$ 46,985,220</u>	<u>\$ 9,554,263</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 2,344,020	\$ 1,774,747	\$ 103,349
Accrued liabilities	801,475	-	9,579
Employee payroll deductions	333,319	-	-
Due to other governments	9,302	-	-
Due to other funds	5,356,096	1,282,349	6,645,502
Due to retirement systems	6,963,955	4,869	2,255,470
Unearned revenues	49,118	-	540,363
Total Liabilities	<u>15,857,285</u>	<u>3,061,965</u>	<u>9,554,263</u>
Fund balances			
Nonspendable	2,218,197	-	-
Restricted	26,291,148	43,923,255	-
Assigned	10,975,543	-	-
Unassigned	7,146,509	-	-
Total Fund Balances	<u>46,631,397</u>	<u>43,923,255</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 62,488,682</u>	<u>\$ 46,985,220</u>	<u>\$ 9,554,263</u>

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 1,222,903	\$ 38,482,514
<u>848,362</u>	<u>58,432,421</u>
3,917	129,013
984,127	8,868,574
-	1,374,193
<u>660,073</u>	<u>13,242,635</u>
<u>1,648,117</u>	<u>23,614,415</u>
-	<u>2,218,197</u>
<u>30,354</u>	<u>30,354</u>
<u>\$ 3,749,736</u>	<u>\$ 122,777,901</u>

\$ 187,992	\$ 4,410,108
-	811,054
-	333,319
-	9,302
4,688	13,288,635
21,804	9,246,098
<u>355,571</u>	<u>945,052</u>
<u>570,055</u>	<u>29,043,568</u>

30,354	2,248,551
2,161,294	72,375,697
988,033	11,963,576
-	<u>7,146,509</u>
<u>3,179,681</u>	<u>93,734,333</u>
<u>\$ 3,749,736</u>	<u>\$ 122,777,901</u>

Ossining Union Free School District, New York

Reconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2025

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

Total Fund Balances - Governmental Funds	<u>\$ 93,734,333</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	30,313,102
Capital assets - depreciable/amortizable	159,477,784
Accumulated depreciation/amortization	<u>(81,057,261)</u>
	<u>108,733,625</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	28,071,460
Deferred outflows - OPEB related	25,613,456
Deferred inflows - pension related	(14,164,864)
Deferred inflows - OPEB related	<u>(93,669,649)</u>
	<u>(54,149,597)</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(549,244)
Bonds payable	(24,180,000)
Energy performance contract payable	(9,019,122)
Leases payable	(1,197,037)
Compensated absences	(28,986,085)
Net pension liability - ERS	(5,292,386)
Other post employment benefit obligations payable	<u>(328,388,003)</u>
	<u>(397,611,877)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charge on refunding bonds	157,830
Premium on general obligation bonds	<u>(831,251)</u>
	<u>(673,421)</u>
Net Position of Governmental Activities	<u>\$ (239,152,425)</u>

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

Ossining Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2025

	General	Capital Projects	Special Aid
REVENUES			
Real property taxes	\$ 98,567,452	\$ -	\$ -
Other tax items	7,690,010	-	-
Non-property taxes	3,975,453	-	-
Charges for services	363,120	-	-
Use of money and property	3,325,900	-	-
Sale of property and compensation for loss	34,979	-	-
State aid	54,031,510	-	5,163,666
Federal aid	125,051	-	3,279,308
Food sales	-	-	-
Miscellaneous	493,060	-	146,314
Total Revenues	168,606,535	-	8,589,288
EXPENDITURES			
Current			
General support	12,368,290	-	-
Instruction	88,049,223	-	9,762,572
Pupil transportation	10,844,600	-	-
Community services	198,396	-	-
Cost of food sales	-	-	-
Employee benefits	39,646,085	-	-
Other	-	-	-
Debt service			
Principal	756,278	-	-
Interest	23,674	-	-
Capital outlay	-	14,086,502	-
Total Expenditures	151,886,546	14,086,502	9,762,572
Excess (Deficiency) of Revenues Over Expenditures	16,719,989	(14,086,502)	(1,173,284)
OTHER FINANCING SOURCES (USES)			
Notes issued	-	1,642,854	-
Transfers in	-	26,699,485	1,173,284
Transfers out	(33,012,636)	-	-
Total Other Financing Sources (Uses)	(33,012,636)	28,342,339	1,173,284
Net Change in Fund Balances	(16,292,647)	14,255,837	-
FUND BALANCES			
Beginning of Year	62,924,044	29,667,418	-
End of Year	<u>\$ 46,631,397</u>	<u>\$ 43,923,255</u>	<u>\$ -</u>

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 98,567,452
-	7,690,010
-	3,975,453
-	363,120
426,243	3,752,143
-	34,979
956,949	60,152,125
2,698,883	6,103,242
181,412	181,412
582,260	1,221,634
<u>4,845,747</u>	<u>182,041,570</u>
-	12,368,290
-	97,811,795
-	10,844,600
-	198,396
3,616,260	3,616,260
-	39,646,085
547,258	547,258
3,779,948	4,536,226
1,359,919	1,383,593
-	14,086,502
<u>9,303,385</u>	<u>185,039,005</u>
<u>(4,457,638)</u>	<u>(2,997,435)</u>
-	1,642,854
5,139,867	33,012,636
-	(33,012,636)
<u>5,139,867</u>	<u>1,642,854</u>
682,229	(1,354,581)
<u>2,497,452</u>	<u>95,088,914</u>
<u>\$ 3,179,681</u>	<u>\$ 93,734,333</u>

Ossining 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, 2025

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

Net Change in Fund Balances - Total Governmental Funds \$ (1,354,581)

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	14,273,641
Depreciation/amortization expense	<u>(6,935,108)</u>
	<u>7,338,533</u>

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

Notes issued	(1,642,854)
Principal paid on bonds	3,150,000
Principal paid on energy performance contract debt	629,948
Principal paid on leases	<u>756,278</u>
	<u>2,893,372</u>

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

Accrued interest	46,219
Compensated absences	(7,997,797)
Changes in pension liabilities and related deferred outflows and inflows of resources	1,847,400
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(4,462,568)
Amortization of premium and loss on refunding bonds	<u>182,682</u>
	<u>(10,384,064)</u>

Change in Net Position of Governmental Activities \$ (1,506,740)

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

Ossining Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
General Fund
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 106,159,379	\$ 98,567,452	\$ 98,567,452	\$ -
Other tax items	123,028	7,714,955	7,690,010	(24,945)
Non-property taxes	3,250,000	3,250,000	3,975,453	725,453
Charges for services	477,619	488,619	363,120	(125,499)
Use of money and property	1,471,311	1,471,311	3,325,900	1,854,589
Sale of property and compensation for loss	-	-	34,979	34,979
Interfund revenues	45,375	45,375	-	(45,375)
State aid	51,591,106	51,616,106	54,031,510	2,415,404
Federal aid	156,471	156,471	125,051	(31,420)
Miscellaneous	300,000	343,005	493,060	150,055
Total Revenues	<u>163,574,289</u>	<u>163,653,294</u>	<u>168,606,535</u>	<u>4,953,241</u>
EXPENDITURES				
Current				
General support	13,216,346	13,914,376	12,368,290	1,546,086
Instruction	91,914,145	92,411,566	88,049,223	4,362,343
Pupil transportation	11,179,649	11,188,791	10,844,600	344,191
Community services	437,565	504,565	198,396	306,169
Employee benefits	42,646,756	41,571,487	39,646,085	1,925,402
Debt service				
Principal	756,278	756,278	756,278	-
Interest	23,674	23,674	23,674	-
Total Expenditures	<u>160,174,413</u>	<u>160,370,737</u>	<u>151,886,546</u>	<u>8,484,191</u>
Excess of Revenues Over Expenditures	3,399,876	3,282,557	16,719,989	13,437,432
OTHER FINANCING USES				
Transfers out	<u>(20,917,343)</u>	<u>(33,133,156)</u>	<u>(33,012,636)</u>	<u>120,520</u>
Net Change in Fund Balances	<u>(17,517,467)</u>	<u>(29,850,599)</u>	<u>(16,292,647)</u>	<u>13,557,952</u>
FUND BALANCES				
Beginning of Year	<u>17,517,467</u>	<u>29,850,599</u>	<u>62,924,044</u>	<u>33,073,445</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,631,397</u>	<u>\$ 46,631,397</u>

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

Ossining Union Free School District, New York

Statement of Net Position

Proprietary Fund -

Internal Service Fund - Dental Benefits Fund

June 30, 2025

ASSETS

Due from other funds

\$ 46,000

LIABILITIES

Claims payable

\$ 46,000

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

Ossining Union Free School District, New York

Statement of Revenues, Expenses and Changes
in Net Position
Proprietary Fund -
Internal Service Fund - Dental Benefits Fund
Year Ended June 30, 2025

OPERATING REVENUES

Charges for services \$ 785,991

OPERATING EXPENSES

Employee benefits 785,991

Income from Operations -

NET POSITION

Beginning of Year -

End of Year \$ -

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

Ossining Union Free School District, New York

Statement of Cash Flows

Proprietary Fund -

Internal Service Fund - Dental Benefits Fund

Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from charges for services	\$ 785,991
Cash payments to insurance carriers and claimants	<u>(785,991)</u>

Net Cash Provided by Operating Activities	<u>-</u>
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CASH AND EQUIVALENTS

Beginning of Year	<u>-</u>
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End of Year	<u><u>\$ -</u></u>
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The notes to the financial statements are an integral part of this statement.

Ossining Union Free School District, New York

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

June 30, 2025

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes and payments in lieu of taxes collected for other governments	\$ 4,516,235
DEDUCTIONS	
Payments of real property taxes and payments in lieu of taxes to other governments	<u>4,516,235</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

Ossining Union Free School District, New York

Notes to Financial Statements

June 30, 2025

Note 1 - Summary of Significant Accounting Policies

The Ossining Union Free School District, New York ("School District"), as presently constituted, was established in 1909 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

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

A. Financial Reporting Entity

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

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

The School District participates in the Putnam - Northern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating districts' 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 full 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 the BOCES as defined in 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.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2025

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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal revenue of the Internal Service Fund is charges for services. Operating expenses for the Internal Service Fund are for dental costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

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

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Proprietary and fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-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 government-wide presentation. The School District's resources are reflected in the fund financial statements in three 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.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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.

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

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. Proprietary Fund - The proprietary fund consists of an internal service fund. Internal service funds account for operations that provide services to other departments or other governments on a cost reimbursement basis. The School District has elected to account for its dental benefits as an internal service fund.
- c. Fiduciary Funds (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. The Custodial Fund is used to account for real property taxes and payments in lieu of taxes collected for other governments.

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

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Internal Service Fund and 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 are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues 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 certain claims, compensated absences, net pension liabilities and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. 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 at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The School District participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. The School District's position in the pool in the amount of \$21,894,082 is equal to the value of the pool shares.

The School District's position in the pool is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17th Street, Suite 1850, Denver, CO 80202.

CLASS is rated AAAm by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. CLASS invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

The School District also participates in the New York Liquid Assets Fund ("NYLAF"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. NYLAF has designated PMA Asset Management, LLC as its registered investment advisor.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The School District's position in the pool in the amount of \$36,538,339 is equal to the value of the pool shares.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

Additional information concerning the NYLAF is presented in the annual report, which may be obtained from the Governing Board c/o PMA Financial Network, LLC, 300 Westage Business Center Drive, Fishkill, NY 12524.

NYLAF is rated AAAM by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. NYLAF invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40 "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2025.

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

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

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable in September and January. The Town of Ossining, New York ("Town") which is included in the levy is responsible for the billing and collection of the taxes. The town guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

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

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2025, 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 consists of insurance costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent years 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 surplus food, which is recorded at a stated value which approximates market. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

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

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Machinery and Equipment	5-20
Right-to-use Assets	2-5

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the district-wide financial statements, unearned revenues consist of amounts received in advance and/or revenue from 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 \$49,118 for various items received in advance in the General Fund, \$540,363 in the Special Aid Fund for State and Federal aid received in advance and \$355,571 in the School Lunch Fund (\$19,596 for student food card sales received in advance and \$335,975 for Federal aid received in advance). Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

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

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

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

Leases - The School District is a lessee for noncancellable leases of equipment. The School District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the district-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Compensated Absences – The liability for compensated absences represents the vacation, personal and sick time (“leave/leave days”) and salary related payments which have been earned for services previously rendered by employees in accordance with the District’s various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent years 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 leave. The 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 government-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”.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Restricted net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are restricted when constraints are placed on asset use either through 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, debt service, tax certiorari, retirement contribution, liability claims, special purposes and future capital projects.

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

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

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

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

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Education is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year,

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Board of Education 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 the Assistant Superintendent for Business for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

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

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. 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.

H. Subsequent Events Evaluated 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 8, 2025.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2025

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for the General Fund and Debt Service Fund.
- g) Budgets for the General and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch, Special Purpose or Internal Service funds since other means control the use of these resources (e.g. grants awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 2 - Stewardship, Compliance and Accountability (Continued)

- i) Appropriations in General and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Education.

B. Limitation on Unassigned Fund Balance

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

C. 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.

D. Expenditures in Excess of Budget

The following categories of expenditures exceeded their budgetary provisions by the amounts indicated:

General Fund

General Government Support		
Central data processing	\$	47,461
Special Items – Assessments on school property		21,846
Pupil Transportation		
District transportation services		8,717
Employee Benefits		
Unemployment benefits		16,652

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 2 - Stewardship, Compliance and Accountability (Continued)

E. Cumulative Effect of Change in Accounting Principle

The District implemented the provisions of GASB Statement No. 101, "*Compensated Absences*", for the year ended June 30, 2025. In addition to the value of unused leave time owed to employees upon separation from employment, the District now also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result, the District has reported a cumulative effect of change in accounting principle to July 1, 2024 net position of governmental activities of (\$19,474,825).

F. New Accounting Pronouncement

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosure for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the School District's fiscal year ended June 30, 2025. Management has determined that no events have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2025 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 2,658,331	\$ 5,356,096
Capital Projects	6,658,517	1,282,349
Special Aid	3,265,714	6,645,502
Non-Major Governmental	660,073	4,688
Internal Service	46,000	-
	<u>\$ 13,288,635</u>	<u>\$ 13,288,635</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.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

B. Capital Assets

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

Class	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets, not being depreciated:				
Land	\$ 935,000	\$ -	\$ -	\$ 935,000
Construction-in-Progress	19,756,897	12,443,648	2,822,443	29,378,102
Total Capital Assets, not being depreciated	<u>\$ 20,691,897</u>	<u>\$ 12,443,648</u>	<u>\$ 2,822,443</u>	<u>\$ 30,313,102</u>
Capital Assets, being depreciated/amortized:				
Buildings and Improvements	\$ 138,305,437	\$ 2,822,443	\$ -	\$ 141,127,880
Machinery and Equipment	15,230,040	187,139	-	15,417,179
Right-to-use leased property and equipment	1,289,871	1,642,854	-	2,932,725
Total Capital Assets, being depreciated/amortized	<u>154,825,348</u>	<u>4,652,436</u>	<u>-</u>	<u>159,477,784</u>
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	64,104,429	5,113,411	-	69,217,840
Machinery and Equipment	9,109,435	975,161	-	10,084,596
Right-to-use leased property and equipment	908,289	846,536	-	1,754,825
Total Accumulated Depreciation/Amortization	<u>74,122,153</u>	<u>6,935,108</u>	<u>-</u>	<u>81,057,261</u>
Total Capital Assets, being depreciated/amortized, net	<u>\$ 80,703,195</u>	<u>\$ (2,282,672)</u>	<u>\$ -</u>	<u>\$ 78,420,523</u>
Capital Assets, net	<u>\$ 101,395,092</u>	<u>\$ 10,160,976</u>	<u>\$ 2,822,443</u>	<u>\$ 108,733,625</u>

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

General Support	\$ 3,830,696
Instruction	3,050,640
Cost of food	39,972
Pupil Transportation	<u>13,800</u>
Total Depreciation/Amortization Expense	<u>\$ 6,935,108</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2025 were as follows:

	General Fund	Special Aid Fund	Totals
Payroll and employee benefits	<u>\$ 801,475</u>	<u>\$ 9,579</u>	<u>\$ 811,054</u>

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

D. Claims Payable

The Internal Service Fund reflects self-insured dental claim liabilities, which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled and of claims that have been incurred, but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	Year Ended	
	2025	2024
Balance - Beginning of Year	\$ 46,000	\$ 46,000
Provision for Claims and Claims Adjustment Expenses	785,991	808,060
Claims and Claims Adjustment Expenses Paid	<u>(785,991)</u>	<u>(808,060)</u>
Balance - End of Year	<u>\$ 46,000</u>	<u>\$ 46,000</u>

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2025:

	Balance July 1, 2024	Cumulative Effect of Change in Accounting Principle *	Balance as Restated July 1, 2024	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2025	Due Within One-Year
General Obligation Bonds Payable	\$ 27,330,000	\$ -	\$ 27,330,000	\$ -	\$ 3,150,000	\$ 24,180,000	\$ 2,145,000
Plus - Unamortized Premium on Bonds	1,073,511	-	1,073,511	-	242,260	831,251	-
	<u>28,403,511</u>	<u>-</u>	<u>28,403,511</u>	<u>-</u>	<u>3,392,260</u>	<u>25,011,251</u>	<u>2,145,000</u>
Energy Performance Contract Payable	9,649,070	-	9,649,070	-	629,948	9,019,122	630,058
Leases payable	310,461	-	310,461	1,642,854	756,278	1,197,037	622,731
Other Non-Current Liabilities							
Compensated Absences	1,513,463	19,474,825	20,988,288	7,997,797 **	-	28,986,085	2,899,000
Net Pension Liability - ERS	4,612,305	-	4,612,305	680,081	-	5,292,386	-
Net Pension Liability - TRS	4,077,124	-	4,077,124	-	4,077,124	-	-
Other Postemployment Benefit Liability	354,471,202	-	354,471,202	6,047,371	32,130,570	328,388,003	10,099,965
Total Other Non-Current Liabilities	<u>364,674,094</u>	<u>-</u>	<u>364,674,094</u>	<u>14,725,249</u>	<u>36,207,694</u>	<u>362,666,474</u>	<u>12,998,965</u>
Total Long-Term Liabilities	<u>\$ 403,037,136</u>	<u>\$ 19,474,825</u>	<u>\$ 422,511,961</u>	<u>\$ 16,368,103</u>	<u>\$ 40,966,180</u>	<u>\$ 397,893,884</u>	<u>\$ 16,396,754</u>

*See Note 2E

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

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Each governmental fund's liability for leases payable, compensated absences, net pension liability, and other postemployment benefit liability is liquidated by the General Fund. The School District's indebtedness for general obligation bonds and energy performance contract debt is satisfied by the Debt Service Fund which is funded primarily by the General Fund.

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2025 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2025
District Building Improvements	2014	\$ 18,395,000	September, 2034	3.000 - 3.125 %	\$ 10,980,000
District Building Improvements	2017	4,545,000	November, 2036	2.00 - 2.450	2,965,000
District Building Improvements	2017	335,000	November, 2031	2.490	175,000
Refunding Bonds	2022	11,860,000	August, 2033	5.000	<u>10,060,000</u>
					<u>\$ 24,180,000</u>

Interest expenditures of \$994,125 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$775,585 was recorded in the district-wide financial statements.

Energy Performance Contracts Payable

The School District, in July 2014, entered into a contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The terms of the contracts provide for repayment over fifteen years, with semi-annual installments aggregating \$198,872 through January 2030. Payments include interest at 2.499%. The balance due on this contract at June 30, 2025 is \$1,859,518.

The School District, in September 2023, entered into a contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The terms of the contracts provide for repayment over seventeen years, with annual installments aggregating \$612,255 through August 2041. Payments include interest at 4.490%. The balance due on this contract at June 30, 2025 is \$7,159,604.

Interest expenditures of \$365,794 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$355,433 was recorded in the district-wide financial statements.

Leases Payable

Leases payable at June 30, 2025 are comprised of the following individual agreements:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2025
Computer Equipment	2022	\$ 567,571	2026	1.78000 %	\$ 73,192
Equipment	2022	81,762	2026	-	3,405
Office space	2024	1,642,854	2027	2.50000	<u>1,120,440</u>
					<u>\$ 1,197,037</u>

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures/expense of \$23,674 were recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded, energy performance contract debt and leases as of June 30, 2025 including interest payments of \$7,970,401 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract	
	Principal	Interest	Principal	Interest
2026	\$ 2,145,000	\$ 864,164	\$ 630,058	\$ 365,685
2027	2,235,000	781,442	665,612	344,386
2028	2,320,000	695,119	688,332	321,686
2029	2,410,000	605,272	711,892	298,141
2030	2,460,000	512,764	737,134	273,700
2031-2035	12,055,000	1,105,845	1,976,935	1,084,341
2036-2040	555,000	13,593	2,462,443	598,832
2041-2042	-	-	1,146,716	77,795
	<u>\$ 24,180,000</u>	<u>\$ 4,578,199</u>	<u>\$ 9,019,122</u>	<u>\$ 3,364,566</u>

Year Ending June 30,	Leases		Total	
	Principal	Interest	Principal	Interest
2026	\$ 622,731	\$ 21,026	\$ 3,397,789	\$ 1,250,875
2027	574,306	6,610	3,474,918	1,132,438
2028	-	-	3,008,332	1,016,805
2029	-	-	3,121,892	903,413
2030	-	-	3,197,134	786,464
2031-2035	-	-	14,031,935	2,190,186
2036-2040	-	-	3,017,443	612,425
2041-2042	-	-	1,146,716	77,795
	<u>\$ 1,197,037</u>	<u>\$ 27,636</u>	<u>\$ 34,396,159</u>	<u>\$ 7,970,401</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.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Compensated Absences

Under the terms of existing collective bargaining agreements, the School District is required to compensate employees for accumulated vacation and sick leave. With respect to vacation leave, employees may be compensated for accumulations which do not exceed amounts earned in one year. The School District's obligation for accumulated sick leave is dependent upon the terms of the respective collective bargaining agreement. The value of the compensated absences has been reflected in the district-wide financial statements.

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.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The 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

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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 plans' year ending in 2025 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15 41J	17.9 %
	5 A15 41J	15.4
	6 A15 41J1	11.4
TRS	1-6	10.11 %

At June 30, 2025, 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, 2025	June 30, 2024
Net pension liability (asset)	\$ 5,292,386	\$ (10,814,512)
School Districts' proportion of the net pension liability	0.0308671 %	0.362464 %
Change in proportion since the prior measurement date	(0.0004579) %	0.005943 %

The net pension liability (asset) was measured as of March 31, 2025 for ERS and June 30, 2024 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, 2025, the School District recognized pension expense in the district-wide financial statements of \$6,813,867, (\$1,242,838 for ERS and \$5,571,029 for TRS). Pension expenditures for ERS of \$1,533,922 and \$44,501 were recorded in the fund financial statements in the General, School Lunch, respectively. Pension expenditures for TRS of \$6,971,488 and \$111,356 were recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2025, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,313,606	\$ 61,964	\$ 11,645,244	\$ -
Changes of assumptions	221,952	-	6,469,270	1,088,192
Net difference between projected and actual earnings on pension plan investments	415,226	-	-	12,015,845
Changes in proportion and differences between School District contributions and proportionate share of contributions	145,564	72,200	2,247	926,663
School District contributions subsequent to the measurement date	531,417	-	7,326,934	-
	<u>\$ 2,627,765</u>	<u>\$ 134,164</u>	<u>\$ 25,443,695</u>	<u>\$ 14,030,700</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 12,958,850	\$ 61,964		
Changes of assumptions	6,691,222	1,088,192		
Net difference between projected and actual earnings on pension plan investments	415,226	12,015,845		
Changes in proportion and differences between School District contributions and proportionate share of contributions	147,811	998,863		
School District contributions subsequent to the measurement date	7,858,351	-		
	<u>\$ 28,071,460</u>	<u>\$ 14,164,864</u>		

The \$531,417 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 reduction of the net pension liability in the plan's year ended March 31, 2026. The \$7,326,934 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31,	June 30,
	ERS	TRS
2025	\$ -	\$ (5,768,922)
2026	941,991	13,044,889
2027	1,383,232	(2,364,079)
2028	(422,954)	(2,617,822)
2029	59,915	1,273,967
Thereafter	-	518,028
	<u>\$ 1,962,184</u>	<u>\$ 4,086,061</u>

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Investment rate of return	5.9% *	6.95% *
Salary scale	4.3%	1.95%-5.18%
Inflation rate	2.9%	2.4%
Cost of living adjustments	1.5%	1.3%

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

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

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

Asset Type	ERS March 31, 2025		TRS June 30, 2024	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25 %	3.54 %	33 %	6.6 %
International Equity	14	6.57	15	7.4
Private Equity	15	7.25	9	10.0
Real Estate	12	4.95	11	6.3
Domestic Fixed Income Securities	-	-	16	2.6
Global Fixed Income Securities	-	-	2	2.5
High Yield Fixed Income Securities	-	-	1	4.8
Global Equities	-	-	4	6.9
Private Debt	-	-	2	5.9
Real Estate Debt	-	-	6	3.9
Opportunistic Absolute Return Strategy	3	5.25	-	-
Credit	4	5.40	-	-
Real Assets	4	5.55	-	-
Fixed Income	22	2.00	-	-
Cash	1	0.25	1	0.5
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

The discount rate used to calculate the total pension liability (asset) 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 (asset).

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:

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 15,316,832</u>	<u>\$ 5,292,386</u>	<u>\$ (3,078,032)</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>\$ 49,952,856</u>	<u>\$ (10,814,512)</u>	<u>\$ (61,921,500)</u>

The components of the collective net pension liability (asset) as of the March 31, 2025 ERS measurement date and the June 30, 2024 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 247,600,239,000	\$ 142,837,826,465
Fiduciary net position	<u>230,454,512,000</u>	<u>145,821,434,780</u>
Employers' net pension liability (asset)	<u>\$ 17,145,727,000</u>	<u>\$ (2,983,608,315)</u>
Fiduciary net position as a percentage of total pension liability	<u>93.08%</u>	<u>102.09%</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, 2025 represent the projected employer contribution for the period April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2025 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, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 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, 2025 were \$531,417 to ERS and \$8,709,810 to TRS, (including employee contributions of \$1,382,876).

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.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Other Postemployment Benefit Liability (“OPEB”)

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

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

Inactive employees currently receiving benefit payments	668
Active employees	736
	<u>1,404</u>

The School District’s total OPEB liability of \$328,388,003 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

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

Inflation	4.42%
Salary increases	3.42%, average, including inflation
Discount rate	4.39%
Healthcare cost trend rates	5.30% for 2025, decreasing per year to an ultimate rate of 3.71% for years after 2070
Retirees' share of benefit-related costs	Varies from 12% to 30%, depending on applicable retirement year and bargaining unit

The discount rate is based on the Fidelity Municipal Go AA 20-Year Bond Rate as of the measurement date.

Mortality rates were based on Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General, and Safety, without separate Contingent Survivor mortality, fully generational using scale MP-2021.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The actuarial assumptions used in the July 1, 2023 valuation were based on the requirements of the GASB 75 and Actuarial Standards of Practice.

The School District's change in the total OPEB liability for the year ended June 30, 2025 is as follows:

Total OPEB Liability - Beginning of Year	\$ 354,471,202
Service cost	10,087,779
Interest	14,107,469
Changes of benefit terms	5,987
Differences between expected and actual experience	(18,153,864)
Changes in assumptions or other inputs	(22,030,605)
Benefit payments	<u>(10,099,965)</u>
 Total OPEB Liability - End of Year	 <u><u>\$ 328,388,003</u></u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.39%) or 1 percentage point higher (5.39%) than the current discount rate:

	1% Decrease (3.39%)	Current Discount Rate (4.39%)	1% Increase (5.39%)
Total OPEB Liability	<u>\$ 384,769,148</u>	<u>\$ 328,388,003</u>	<u>\$ 283,548,650</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.30% decreasing to 2.71%) or 1 percentage point higher (6.30% decreasing to 4.71%) than the current healthcare cost trend rates:

	1% Decrease (4.30% decreasing to 2.71%)	Current Healthcare Cost Trend Rates (5.30% decreasing to 3.71%)	1% Increase (6.30% decreasing to 4.71%)
Total OPEB Liability	<u>\$ 276,345,506</u>	<u>\$ 328,388,003</u>	<u>\$ 395,392,143</u>

For the year ended June 30, 2025, the School District recognized OPEB expense of \$14,562,533 in the district-wide financial statements. At June 30, 2025, the School District reported deferred

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 25,613,456	\$ 26,436,563
Changes of assumptions or other inputs	-	67,233,086
	<u>\$ 25,613,456</u>	<u>\$ 93,669,649</u>

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

<u>Year Ended June 30,</u>	
2026	\$ (10,310,343)
2027	(14,964,823)
2028	(14,964,823)
2029	(14,964,823)
2030	(4,948,061)
Thereafter	<u>(7,903,320)</u>
	<u>\$ (68,056,193)</u>

F. Revenues and Expenditures

Interfund Transfers

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

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>Capital Projects Fund</u>	<u>Special Aid Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	<u>\$ 26,699,485</u>	<u>\$ 1,173,284</u>	<u>\$ 5,139,867</u>	<u>\$ 33,012,636</u>

Transfers are used to 1) move funds from the General Fund to the Debt Service Fund as debt service principal and interest payments become due, and 2) move amounts earmarked in the General Fund to fulfill commitments for Capital Projects and Special Aid funds expenditures.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

G. Net Position

The components of net position are detailed below:

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

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

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

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

Restricted for Liability Claims - the component of net position that has been established pursuant to Section 6n of General Municipal Law to provide funding for liability losses that represent the deductible provisions of existing insurance.

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

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

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

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:				
Inventories	\$ -	\$ -	\$ 30,354	\$ 30,354
Prepaid expenditures	2,218,197	-	-	2,218,197
	<u>2,218,197</u>	<u>-</u>	<u>30,354</u>	<u>2,248,551</u>
Restricted:				
Tax certiorari	5,663,756	-	-	5,663,756
Employee benefit accrued liability	1,597,810	-	-	1,597,810
ERS retirement contributions	6,159,603	-	-	6,159,603
ERS retirement contributions - for subsequent year's expenditures	-	-	-	-
TRS retirement contributions	1,674,248	-	-	1,674,248
TRS retirement contributions - for subsequent year's expenditures	-	-	-	-
Liability claims	1,183,171	-	-	1,183,171
Debt service	-	-	1,489,359	1,489,359
Capital projects	-	43,923,255	-	43,923,255
Future capital projects - 2017	883,059	-	-	883,059
Future capital projects - 2022	9,129,501	-	-	9,129,501
Future capital projects - 2017 for subsequent year's expenditures	-	-	-	-
Special purposes - extraclassroom	-	-	277,223	277,223
Special purposes - other	-	-	394,712	394,712
	<u>26,291,148</u>	<u>43,923,255</u>	<u>2,161,294</u>	<u>72,375,697</u>
Assigned:				
Purchases on order:				
General government support	368,276	-	-	368,276
Instruction	394,199	-	-	394,199
Pupil transportation	727	-	-	727
Community Services	-	-	-	-
	<u>763,202</u>	<u>-</u>	<u>-</u>	<u>763,202</u>
Subsequent year's expenditures	6,678,126	-	-	6,678,126
Grants and other obligations	3,534,215	-	-	3,534,215
School Lunch Fund	-	-	988,033	988,033
	<u>10,975,543</u>	<u>-</u>	<u>988,033</u>	<u>11,963,576</u>
Unassigned	<u>7,146,509</u>	<u>-</u>	<u>-</u>	<u>7,146,509</u>
Total Fund Balances	<u>\$ 46,631,397</u>	<u>\$ 43,923,255</u>	<u>\$ 3,179,681</u>	<u>\$ 93,734,333</u>

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2025

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.

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.

Prepaid Expenditures has been provided to account for certain 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.

Employee Benefit Accrued Liability - The component of fund balance that reports the amount set aside pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave granted upon termination or separation from service.

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

Subsequent year's expenditures represent that at June 30, 2025, the Board of Education has utilized the above amounts to be appropriated for the ensuing year's budget.

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

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

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.

Ossining Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2025

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 to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company, which is responsible for the overall supervision and management of the reciprocal. 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. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million. The School District also maintains liability coverage for school board members up to \$1 million and an umbrella policy with coverage up to \$25 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District and neighboring school districts in 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 purpose of the Plan is to provide for the efficient and economical evaluation, processing, administration, defense and payment of claims against Plan members for workers' compensation and to provide for risk management to reduce future liability for workers' compensation and employers' liability payments. The Plan 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 risks to the Plan.

The School District was self-insured for medical benefits for its employees and retirees in the past years. The School District has purchased medical insurance coverage for its employees and retirees from New York State Health Insurance Program effective January 1, 2013. The School District is self-insured for dental benefits. The liability for unpaid claims for dental benefits including an estimate for claims incurred but not yet reported has been reflected in the Internal Service Fund.

The School District is also self insured for employee disability payments and unemployment benefits. The liability for unpaid claims is immaterial.

Ossining Union Free School District, New York

Notes to Financial Statements (Concluded)
June 30, 2025

Note 5 - Tax Abatement

The School District has five real property tax abatement agreements with housing development and redevelopment companies organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York ("PHFL") for the purpose of creating or preserving affordable housing in the School District.

Generally, these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on a percentage of shelter rents, and continue until the property no longer provides the required affordable housing or no longer complies with the requirements of the PHFL.

Copies of the agreements may be obtained from the School District, 400 Executive Boulevard, Ossining, NY 10562. Information relevant to disclosure of these agreements for the fiscal year ended June 30, 2025 is as follows:

<u>Start Date</u>	<u>Agreement</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
2005	The Pines of Narragansett	\$ 9,082,200	\$ 19.87	\$ 180,418	\$ 25,257	\$ 155,161
2006	Snowden House	10,328,600	19.87	205,178	36,642	168,536
2006	Maple House Associates	<u>10,951,200</u>	19.87	<u>217,546</u>	<u>36,185</u>	<u>181,361</u>
		<u>\$ 30,362,000</u>		<u>\$ 603,142</u>	<u>\$ 98,084</u>	<u>\$ 505,058</u>

Note 6 - Recently Issued GASB Pronouncements

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 104, "*Disclosure of Certain Capital Assets*", requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Governments must separately present lease assets, right-to-use assets from public-private or public-public partnerships, subscription assets and all other tangible assets by major class. For capital assets held for sale-assets a government has decided to sell with completion of the sale probable within one year of the financial statement date-governments must disclose the historical cost, accumulated depreciation (or amortization), and the carrying amount of any pledged debt related to those assets. This statement affects only presentation and disclosure, not recognition or measurement requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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 this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Ossining 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)

	2025	2024 (3)	2023
Total OPEB Liability:			
Service cost	\$ 10,087,779	\$ 8,693,419	\$ 13,315,682
Interest	14,107,469	12,522,914	11,402,344
Changes of benefit terms	5,987	-	(3,639,940)
Differences between expected and actual experience	(18,153,864)	20,787,378 (4)	(18,425,962) (4)
Changes of assumptions or other inputs	(22,030,605)	(10,133,110)	(60,595,124)
Benefit payments	(10,099,965)	(9,050,388)	(8,131,219)
Net Change in Total OPEB Liability	(26,083,199)	22,820,213	(66,074,219)
Total OPEB Liability – Beginning of Year	354,471,202	331,650,989	397,725,208
Total OPEB Liability – End of Year	<u>\$ 328,388,003</u>	<u>\$ 354,471,202</u>	<u>\$ 331,650,989</u>
School District's covered-employee payroll	<u>\$ 70,363,573</u>	<u>\$ 68,036,717</u>	<u>\$ 50,848,615</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>467%</u>	<u>521%</u>	<u>652%</u>
*Discount rate	<u>4.39%</u>	<u>3.98%</u>	<u>3.78%</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.

(4) Includes differences due to changes in health care trend rates.

See independent auditors' report.

	2022	2021	2020	2019	2018
\$	10,611,254	\$ 11,157,509	\$ 10,317,965	\$ 10,235,685	\$ 8,845,342
	8,134,411	8,831,381	11,402,447	11,025,136	10,243,146
	(4,795)	(27,935)	-	(1,126,471)	-
	68,656,228	(25,198,579)	(52,689,872)	10,403,135	11,099,300
	(37,404,712)	15,054,529	61,558,865	2,022,625	10,072,154
	(7,030,651)	(6,791,351)	(6,581,346)	(5,801,313)	(5,300,870)
	42,961,735	3,025,554	24,008,059	26,758,797	34,959,072
	354,763,473	351,737,919	327,729,860	300,971,063	266,011,991 (3)
\$	<u>397,725,208</u>	<u>\$ 354,763,473</u>	<u>\$ 351,737,919</u>	<u>\$ 327,729,860</u>	<u>\$ 300,971,063</u>
\$	<u>49,157,594</u>	<u>\$ 47,522,809</u>	<u>\$ 47,527,218</u>	<u>\$ 50,983,944</u>	<u>\$ 50,983,944</u>
	<u>809%</u>	<u>747%</u>	<u>740%</u>	<u>643%</u>	<u>590%</u>
	<u>2.83%</u>	<u>2.27%</u>	<u>2.48%</u>	<u>3.44%</u>	<u>3.61%</u>

Ossining 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)

	2025 (2)	2024 (3)	2023 (2)	2022 (3)
School District's proportion of the net pension liability (asset)	0.362464%	0.356521%	0.341580%	0.338747%
School District's proportionate share of the net pension liability (asset)	\$ (10,814,512)	\$ 4,077,124	\$ 6,554,558	\$ (58,701,599)
School District's covered payroll	\$ 70,797,672	\$ 66,709,925	\$ 61,316,218	\$ 58,097,801
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(15.28)%	6.11%	10.69%	(101.04)%
Plan fiduciary net position as a percentage of the total pension assets	102.09%	99.17%	98.57%	113.20%
Discount Rate	6.95%	6.95%	6.95%	6.95%

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	\$ 7,326,934	\$ 6,909,853	\$ 6,864,451	\$ 6,008,989
Contributions in relation to the contractually required contribution	(7,326,934)	(6,909,853)	(6,864,451)	(6,008,989)
Contribution excess	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 72,472,145	\$ 70,797,672	\$ 66,709,925	\$ 61,316,218
Contributions as a percentage of covered payroll	10.11%	9.76%	10.29%	9.80%

(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.

2021 (2)	2020	2019	2018	2017	2016
0.337117%	0.335878%	0.336079%	0.333639%	0.330576%	0.335638%
\$ 9,315,454	\$ (8,726,129)	\$ (6,077,187)	\$ (2,535,990)	\$ 3,540,606	\$ (34,862,048)
\$ 57,219,430	\$ 50,516,535	\$ 55,410,101	\$ 53,534,193	\$ 51,887,148	\$ 50,917,825
16.28%	(17.27)%	(10.97)%	(4.74)%	6.82%	(68.47)%
97.76%	102.17%	101.53%	100.66%	99.01%	110.46%
7.10%	7.10%	7.25%	7.25%	7.50%	8.00%

2021	2020	2019	2018	2017	2016
\$ 5,569,306	\$ 5,069,642	\$ 5,364,856	\$ 5,430,190	\$ 6,272,946	\$ 6,880,236
(5,569,306)	(5,069,642)	(5,364,856)	(5,430,190)	(6,272,946)	(6,880,236)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 58,097,801	\$ 57,219,430	\$ 50,516,535	\$ 55,410,101	\$ 53,534,193	\$ 51,887,148
9.59%	8.86%	10.62%	9.80%	11.72%	13.26%

Ossining 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 (1)

	2025 (2)	2024 (3)	2023 (2)	2022 (3)
School District's proportion of the net pension liability (asset)	<u>0.0308671%</u>	<u>0.0313250%</u>	<u>0.0317211%</u>	<u>0.0318215%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 5,292,386</u>	<u>\$ 4,612,305</u>	<u>\$ 6,802,282</u>	<u>\$ (2,601,280)</u>
School District's covered payroll	<u>\$ 10,860,110</u>	<u>\$ 10,709,237</u>	<u>\$ 10,266,362</u>	<u>\$ 9,645,531</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>48.73%</u>	<u>43.07%</u>	<u>66.26%</u>	<u>(26.97)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.08%</u>	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	<u>\$ 1,557,040</u>	<u>\$ 1,299,169</u>	<u>\$ 1,078,827</u>	<u>\$ 1,511,280</u>
Contributions in relation to the contractually required contribution	<u>(1,557,040)</u>	<u>(1,299,169)</u>	<u>(1,078,827)</u>	<u>(1,511,280)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 11,078,714</u>	<u>\$ 10,871,086</u>	<u>\$ 10,182,330</u>	<u>\$ 9,890,863</u>
Contributions as a percentage of covered payroll	<u>14.05%</u>	<u>11.95%</u>	<u>10.60%</u>	<u>15.28%</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.

2021 (3)	2020 (2)	2019	2018	2017	2016
<u>0.0319930%</u>	<u>0.0318326%</u>	<u>0.0327764%</u>	<u>0.0337972%</u>	<u>0.0351597%</u>	<u>0.0356580%</u>
<u>\$ 31,857</u>	<u>\$ 8,429,462</u>	<u>\$ 2,322,308</u>	<u>\$ 1,090,785</u>	<u>\$ 3,303,687</u>	<u>\$ 5,723,211</u>
<u>\$ 9,823,661</u>	<u>\$ 9,652,310</u>	<u>\$ 9,449,370</u>	<u>\$ 9,293,536</u>	<u>\$ 9,108,130</u>	<u>\$ 9,006,709</u>
<u>0.32%</u>	<u>87.33%</u>	<u>24.58%</u>	<u>11.74%</u>	<u>36.27%</u>	<u>63.54%</u>
<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>
<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>
2021	2020	2019	2018	2017	2016
<u>\$ 1,377,889</u>	<u>\$ 1,350,746</u>	<u>\$ 1,339,872</u>	<u>\$ 1,347,100</u>	<u>\$ 1,359,145</u>	<u>\$ 1,588,731</u>
<u>(1,377,889)</u>	<u>(1,350,746)</u>	<u>(1,339,872)</u>	<u>(1,347,100)</u>	<u>(1,359,145)</u>	<u>(1,588,731)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 9,460,977</u>	<u>\$ 9,720,137</u>	<u>\$ 9,556,311</u>	<u>\$ 9,321,288</u>	<u>\$ 9,158,742</u>	<u>\$ 9,014,397</u>
<u>14.56%</u>	<u>13.90%</u>	<u>14.02%</u>	<u>14.45%</u>	<u>14.84%</u>	<u>17.62%</u>

Ossining Union Free School District, New York

General Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 106,159,379	\$ 98,567,452	\$ 98,567,452	\$	\$ -
Other tax items	123,028	7,714,955	7,690,010		(24,945)
Non-property taxes	3,250,000	3,250,000	3,975,453		725,453
Charges for services	477,619	488,619	363,120		(125,499)
Use of money and property	1,471,311	1,471,311	3,325,900		1,854,589
Sale of property and compensation for loss	-	-	34,979		34,979
Interfund revenues	45,375	45,375	-		(45,375)
State aid	51,591,106	51,616,106	54,031,510		2,415,404
Federal aid	156,471	156,471	125,051		(31,420)
Miscellaneous	300,000	343,005	493,060		150,055
Total Revenues	163,574,289	163,653,294	168,606,535		4,953,241
EXPENDITURES					
Current					
General support					
Board of education	260,563	272,033	185,108	-	86,925
Central administration	473,305	533,405	519,935	7,150	6,320
Finance	1,504,206	1,786,862	1,636,893	3,616	146,353
Staff	1,166,257	1,247,117	1,127,777	3,992	115,348
Central services	8,307,046	8,440,676	7,322,333	319,912	798,431
Special items	1,504,969	1,634,283	1,576,244	33,606	24,433
Total General Support	13,216,346	13,914,376	12,368,290	368,276	1,177,810
Instruction					
Instruction, administration and improvement	8,252,851	8,364,524	6,961,788	52,502	1,350,234
Teaching - Regular school	47,396,539	47,730,932	46,827,037	148,052	755,843
Programs for students with disabilities	24,118,077	23,789,642	22,533,493	178,885	1,077,264
Occupational education	1,593,213	1,593,213	1,593,213	-	-
Teaching - Special schools	1,059,134	1,062,663	868,988	3,514	190,161
Instructional media	3,320,669	3,646,675	3,462,501	-	184,174
Pupil services	6,173,662	6,223,917	5,802,203	11,246	410,468
Total Instruction	91,914,145	92,411,566	88,049,223	394,199	3,968,144
Pupil transportation	11,179,649	11,188,791	10,844,600	727	343,464
Community services	437,565	504,565	198,396	-	306,169
Employee benefits	42,646,756	41,571,487	39,646,085	-	1,925,402
Debt service					
Principal	756,278	756,278	756,278	-	-
Interest	23,674	23,674	23,674	-	-
Total Expenditures	160,174,413	160,370,737	151,886,546	763,202	7,720,989
Excess of Revenues Over Expenditures	3,399,876	3,282,557	16,719,989	(763,202)	12,674,230
OTHER FINANCING USES					
Transfers out	(20,917,343)	(33,133,156)	(33,012,636)	-	120,520
Net Change in Fund Balance	(17,517,467)	(29,850,599)	(16,292,647)	\$ (763,202)	\$ 12,794,750
FUND BALANCE					
Beginning of Year	17,517,467	29,850,599	62,924,044		
End of Year	\$ -	\$ -	\$ 46,631,397		

See independent auditors' report.

Ossining Union Free School District, New York

General Fund
 Schedule of Revenues Compared to Budget
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 106,159,379	\$ 98,567,452	\$ 98,567,452	\$ -
OTHER TAX ITEMS				
School tax relief reimbursement	-	7,591,927	7,591,926	(1)
Payments in lieu of taxes	123,028	123,028	98,084	(24,944)
	123,028	7,714,955	7,690,010	(24,945)
NON-PROPERTY TAXES				
Non-property tax distribution from County	3,250,000	3,250,000	3,975,453	725,453
CHARGES FOR SERVICES				
Day school tuition	224,004	224,004	120,487	(103,517)
Community Learning Center	-	11,000	22,000	11,000
Health services for other districts	253,615	253,615	220,633	(32,982)
	477,619	488,619	363,120	(125,499)
USE OF MONEY AND PROPERTY				
Earnings on investments	1,471,311	1,471,311	3,325,900	1,854,589
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Other	-	-	34,979	34,979
INTERFUND REVENUES	45,375	45,375	-	(45,375)
STATE AID				
Basic formula aid	48,355,584	48,355,584	46,212,490	(2,143,094)
BOCES aid	2,758,487	2,758,487	3,266,829	508,342
Lottery aid	-	-	3,714,121	3,714,121
Textbook aid	477,035	477,035	298,124	(178,911)
Computer software aid	-	-	149,388	149,388
Tuition aid	-	-	333,246	333,246
Library aid	-	-	32,312	32,312
Homeless aid	-	25,000	25,000	-
	51,591,106	51,616,106	54,031,510	2,415,404
FEDERAL AID				
Medicaid	156,471	156,471	125,051	(31,420)
MISCELLANEOUS				
Refund of BOCES aided services	300,000	300,000	408,535	108,535
Gifts and donations	-	6,688	2,000	(4,688)
Refund of prior year's expenditures	-	-	21,640	21,640
Unclassified	-	36,317	60,885	24,568
	300,000	343,005	493,060	150,055
TOTAL REVENUES	\$ 163,574,289	\$ 163,653,294	\$ 168,606,535	\$ 4,953,241

See independent auditors' report.

Ossining Union Free School District, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 82,076	\$ 93,076	\$ 54,839	\$ -	\$ 38,237
District clerk	110,598	110,988	96,933	-	14,055
District meeting	67,889	67,969	33,336	-	34,633
Total Board of Education	260,563	272,033	185,108	-	86,925
CENTRAL ADMINISTRATION					
Chief school administrator	473,305	533,405	519,935	7,150	6,320
FINANCE					
Business administration	1,375,676	1,605,119	1,490,117	3,616	111,386
Accounting and auditing	115,250	139,463	122,413	-	17,050
Treasurer	13,280	42,280	24,363	-	17,917
Total Finance	1,504,206	1,786,862	1,636,893	3,616	146,353
STAFF					
Legal	241,810	230,890	159,874	-	71,016
Personnel	646,965	734,373	724,407	3,992	5,974
Records management officer	50,741	50,741	48,992	-	1,749
Public information and services	226,741	231,113	194,504	-	36,609
Total Staff	1,166,257	1,247,117	1,127,777	3,992	115,348
CENTRAL SERVICES					
Operation and maintenance of plant	7,282,582	7,275,837	6,127,733	302,212	845,892
Central data processing	1,024,464	1,164,839	1,194,600	17,700	(47,461)
Total Central Services	8,307,046	8,440,676	7,322,333	319,912	798,431
SPECIAL ITEMS					
Unallocated insurance	465,000	463,564	439,652	-	23,912
Assessments on school property	80,000	77,022	98,868	-	(21,846)
Refunds of real property taxes	50,000	183,728	127,756	33,606	22,366
Administrative charge - BOCES	909,969	909,969	909,968	-	1
Total Special Items	1,504,969	1,634,283	1,576,244	33,606	24,433
Total General Support	13,216,346	13,914,376	12,368,290	368,276	1,177,810
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	1,108,026	1,212,148	1,151,402	3,408	57,338
Supervision - Regular school	4,899,966	4,747,346	4,269,184	1,520	476,642
Supervision - PE	327,812	327,812	245,067	484	82,261
Supervision - Music	406,372	416,319	336,726	13,887	65,706
Research, planning and evaluation	543,489	672,553	481,031	-	191,522
In-service training - Instruction	967,186	988,346	478,378	33,203	476,765
Total Instruction, Administration and Improvement	8,252,851	8,364,524	6,961,788	52,502	1,350,234

(Continued)

Ossining Union Free School District, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
INSTRUCTION (Continued)					
TEACHING - REGULAR SCHOOL	\$ 47,396,539	\$ 47,730,932	\$ 46,827,037	\$ 148,052	\$ 755,843
PROGRAMS FOR STUDENTS WITH DISABILITIES	24,118,077	23,789,642	22,533,493	178,885	1,077,264
OCCUPATIONAL EDUCATION	1,593,213	1,593,213	1,593,213	-	-
TEACHING - SPECIAL SCHOOLS	1,059,134	1,062,663	868,988	3,514	190,161
INSTRUCTIONAL MEDIA					
School library and audiovisual	807,497	822,194	796,335	-	25,859
Computer assisted instruction	2,513,172	2,824,481	2,666,166	-	158,315
Total Instructional Media	3,320,669	3,646,675	3,462,501	-	184,174
PUPIL SERVICES					
Attendance - Regular school	780,228	708,580	677,986	-	30,594
Guidance - Regular school	1,117,103	1,183,141	1,121,165	166	61,810
Health services - Regular school	1,223,862	1,341,617	1,316,265	3,558	21,794
Psychological services - Regular school	1,059,018	1,023,036	966,306	4,815	51,915
Social work services - Regular school	470,440	392,612	279,993	-	112,619
Co-curricular activities - Regular school	390,660	381,059	321,125	1,919	58,015
Interscholastic athletics - Regular school	1,132,351	1,193,872	1,119,363	788	73,721
Total Pupil Services	6,173,662	6,223,917	5,802,203	11,246	410,468
Total Instruction	91,914,145	92,411,566	88,049,223	394,199	3,968,144
PUPIL TRANSPORTATION					
District transportation services	1,219,695	1,268,397	1,277,114	-	(8,717)
Contract and public carrier transportation	9,959,954	9,920,394	9,567,486	727	352,181
Total Pupil Transportation	11,179,649	11,188,791	10,844,600	727	343,464
COMMUNITY SERVICES					
Community Learning Center	437,565	504,565	198,396	-	306,169
EMPLOYEE BENEFITS					
State retirement	1,655,510	1,646,010	1,533,922	-	112,088
Teachers' retirement	7,314,423	7,278,223	6,971,488	-	306,735
Social security	6,313,804	6,313,804	6,020,645	-	293,159
Unemployment benefits	35,000	35,000	51,652	-	(16,652)
Hospital, medical and dental insurance	26,879,877	25,850,308	24,639,284	-	1,211,024
Life insurance	50,000	50,000	48,518	-	1,482
Workers' compensation benefits	398,142	398,142	380,576	-	17,566
Total Employee Benefits	42,646,756	41,571,487	39,646,085	-	1,925,402

(Continued)

Ossining Union Free School District, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
DEBT SERVICE					
Principal					
Leases	\$ 756,278	\$ 756,278	\$ 756,278	\$ -	\$ -
Interest					
Leases	23,674	23,674	23,674	-	-
Total Debt Service	779,952	779,952	779,952	-	-
TOTAL EXPENDITURES	160,174,413	160,370,737	151,886,546	763,202	7,720,989
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	1,281,032	1,281,026	1,173,284	-	107,742
Debt Service Fund	5,152,645	5,152,645	5,139,867	-	12,778
Capital Projects Fund	14,483,666	26,699,485	26,699,485	-	-
TOTAL OTHER FINANCING USES	20,917,343	33,133,156	33,012,636	-	120,520
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 181,091,756	\$ 193,503,893	\$ 184,899,182	\$ 763,202	\$ 7,841,509

See independent auditors' report.

Ossining Union Free School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through June 30, 2025

Project	Authoriza- tion	Expenditures and Transfers			Unexpended Balance
		Prior Years	Current Year	Total	
Claremont School Kitchen	\$ 99,299	\$ 99,299	\$ -	\$ 99,299	\$ -
Roosevelt School Kitchen	1,580,979	1,580,977	-	1,580,977	2
District Wide Projects - 13-14	661,000	660,079	-	660,079	921
District Wide Projects - 15-16	2,160,102	1,201,451	-	1,201,451	958,651
District Wide Projects - 16-17	6,569,660	6,274,824	-	6,274,824	294,836
District Wide Projects - 18-19	5,000,000	4,954,188	-	4,954,188	45,812
District Wide Projects - 19-20	6,950,000	4,765,996	-	4,765,996	2,184,004
District Wide Projects - 20-21	6,950,000	5,826,396	-	5,826,396	1,123,604
District Wide Projects - 21-22	6,950,000	5,108,294	-	5,108,294	1,841,706
District Wide Projects - 22-23	10,850,000	3,016,031	4,357,464	7,373,495	3,476,505
District Wide Projects - 23-24	12,081,300	526,182	351,901	878,083	11,203,217
District Wide Projects - 24-25	26,699,485	-	4,215,942	4,215,942	22,483,543
Energy Performance Contract 2023	14,893,033	11,064,236	3,518,341	14,582,577	310,456
Office Space Lease	1,642,854	-	1,642,854	1,642,854	-
Totals	\$ 103,087,712	\$ 45,077,953	\$ 14,086,502	\$ 59,164,455	\$ 43,923,257

See independent auditors' report.

Methods of Financing					
State and Federal Aid	Interfund Transfers	Proceeds of Obligations	Miscellaneous	Totals	Fund Balance at June 30, 2025
\$ -	\$ 99,299	\$ -	\$ -	\$ 99,299	\$ -
-	1,580,977	-	-	1,580,977	-
-	661,000	-	-	661,000	921
-	2,160,102	-	-	2,160,102	958,651
-	6,569,660	-	-	6,569,660	294,836
-	5,000,000	-	-	5,000,000	45,812
-	6,950,000	-	-	6,950,000	2,184,004
-	6,950,000	-	-	6,950,000	1,123,604
-	6,950,000	-	-	6,950,000	1,841,706
-	10,850,000	-	-	10,850,000	3,476,505
-	12,081,300	-	-	12,081,300	11,203,217
-	26,699,485	-	-	26,699,485	22,483,543
3,034,323	4,414,017	7,444,693	-	14,893,033	310,456
-	-	1,642,854	-	1,642,854	-
<u>\$ 3,034,323</u>	<u>\$ 90,965,840</u>	<u>\$ 9,087,547</u>	<u>\$ -</u>	<u>\$ 103,087,710</u>	<u>\$ 43,923,255</u>

Ossining Union Free School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2025

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
ASSETS				
Cash and equivalents	\$ 546,280	\$ 676,623	\$ -	\$ 1,222,903
Investments	-	-	848,362	848,362
Receivables				
Accounts	3,917	-	-	3,917
State and Federal aid	984,127	-	-	984,127
Due from other funds	19,076	-	640,997	660,073
	<u>1,007,120</u>	<u>-</u>	<u>640,997</u>	<u>1,648,117</u>
Inventories	<u>30,354</u>	<u>-</u>	<u>-</u>	<u>30,354</u>
Total Assets	<u><u>\$ 1,583,754</u></u>	<u><u>\$ 676,623</u></u>	<u><u>\$ 1,489,359</u></u>	<u><u>\$ 3,749,736</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 187,992	\$ -	\$ -	\$ 187,992
Due to other funds	-	4,688	-	4,688
Due to retirement systems	21,804	-	-	21,804
Unearned revenues	<u>355,571</u>	<u>-</u>	<u>-</u>	<u>355,571</u>
Total Liabilities	<u>565,367</u>	<u>4,688</u>	<u>-</u>	<u>570,055</u>
Fund balances				
Nonspendable	30,354	-	-	30,354
Restricted	-	671,935	1,489,359	2,161,294
Assigned	<u>988,033</u>	<u>-</u>	<u>-</u>	<u>988,033</u>
Total Fund Balances	<u>1,018,387</u>	<u>671,935</u>	<u>1,489,359</u>	<u>3,179,681</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,583,754</u></u>	<u><u>\$ 676,623</u></u>	<u><u>\$ 1,489,359</u></u>	<u><u>\$ 3,749,736</u></u>

See independent auditors' report.

Ossining Union Free School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2025

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
REVENUES				
Use of money and property	\$ -	\$ 1,334	\$ 424,909	\$ 426,243
State aid	956,949	-	-	956,949
Federal aid	2,698,883	-	-	2,698,883
Food sales	181,412	-	-	181,412
Miscellaneous	25,530	556,730	-	582,260
Total Revenues	3,862,774	558,064	424,909	4,845,747
EXPENDITURES				
Current				
Cost of food sales	3,616,260	-	-	3,616,260
Other	-	547,258	-	547,258
Debt service				
Principal	-	-	3,779,948	3,779,948
Interest	-	-	1,359,919	1,359,919
Total Expenditures	3,616,260	547,258	5,139,867	9,303,385
Excess (Deficiency) of Revenues Over Expenditures	246,514	10,806	(4,714,958)	(4,457,638)
OTHER FINANCING SOURCES				
Transfers in	-	-	5,139,867	5,139,867
Net Change in Fund Balances	246,514	10,806	424,909	682,229
FUND BALANCES				
Beginning of Year	771,873	661,129	1,064,450	2,497,452
End of Year	<u>\$ 1,018,387</u>	<u>\$ 671,935</u>	<u>\$ 1,489,359</u>	<u>\$ 3,179,681</u>

See independent auditors' report.

Ossining Union Free School District, New York

General Fund
 Analysis of Change from Adopted Budget to Final Budget
 Year Ended June 30, 2025

Adopted Budget	\$ 180,265,817
Additions	
Encumbrances	<u>825,939</u>
Original Budget	181,091,756
Budget Amendments	<u>12,412,137</u>
Final Budget	<u><u>\$ 193,503,893</u></u>

General Fund
 Section 1318 of Real Property Tax Law Limit Calculation

2025-26 Expenditure Budget	<u>\$ 178,662,726</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 10,975,543
Unassigned fund balance	<u>7,146,509</u>
Total Unrestricted Fund Balance	<u>18,122,052</u>
Less	
Appropriated for subsequent year's budget	6,678,126
Grants and other obligations	3,534,215
Encumbrances	<u>763,202</u>
Total Adjustments	<u>10,975,543</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 7,146,509</u></u>
Actual Percentage	<u><u>4.00%</u></u>

See independent auditors' report.

Ossining Union Free School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2025

Capital Assets, net		\$ 108,733,625
Less		
General obligation bonds payable	\$ (24,180,000)	
Energy performance contract payable	(9,019,122)	
Leases payable	(1,197,037)	
Unamortized portion of premium	<u>(831,251)</u>	(35,227,410)
Plus		
Unexpended bond proceeds	310,456	
Unamortized portion of loss on refunding bonds	<u>157,830</u>	<u>468,286</u>
Net Investment in Capital Assets		<u>\$ 73,974,501</u>

See independent auditors' report.



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

Independent Auditors' Report

**The Board of Education of the
Ossining 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 Ossining Union Free School District, New York ("School District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 8, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that 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 8, 2025

FORM OF OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP
140 Broadway, 42nd Floor
New York, New York 10005

April 23, 2026

The Board of Education of the
Ossining Union Free School District, in
Westchester County, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to Ossining Union Free School District (the “District”), in the County of Westchester, New York, a school district of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$8,000,000 Bond Anticipation Notes for Library Purposes - 2026 (the “Notes”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the District is subject to the levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Notes in order that the interest on the Notes be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Notes, restrictions on the investment of proceeds of the Notes prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Notes to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Notes, the District will execute a Tax Certificate relating to the Notes containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Notes will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the District’s representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Notes, and (ii) compliance by the District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Notes or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Notes.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP