NYACK UNION FREE SCHOOL DISTRICT

Financial Statements and Required Reports
Under Uniform Guidance
As of and for the Year Ended
June 30, 2023

Together with Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

October 10, 2023

To the Board of Education of
Nyack Union Free School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nyack Union Free School District (School District) as of and for the year ended June 30, 2023, 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 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditor's 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.

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with generally accepted auditing standards 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 the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability (asset), schedule of contributions – pension plans, and schedule of changes in total OPEB Liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* 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 nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the schedules of change from adopted budget to final budget and section 1318 of real property tax law limit calculation - general fund, schedule of project expenditures – capital projects fund, and schedule of net investment in capital assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards,* we have also issued our report dated October 10, 2023, 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.

Bonadio & Co., LLP

NYACK UNION FREE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The following is a discussion and analysis of the Nyack Union Free School District's (School District) financial performance for the fiscal year ended June 30, 2023. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Government-wide net position of the School District was $30,192,929.
- Government-wide net position was $1,543,435 greater than at June 30, 2022.
- As of the close of this fiscal year, the School District's governmental funds reported combined fund balance of $54,619,480, a decrease of $6,039,451 from the prior year.
- The School District was able to maintain sufficient reserves for unemployment, liability, tax certiorari, capital, and retirement contributions. The School District also appropriated $3,396,000 of its fund balance to offset the 2023-2024 taxes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (MD&A) (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are *Government-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the Government-wide statements.

- The *governmental funds statements* tell how basic services, such as special education, were financed in the *short-term*.

- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-1 shows how the various sections of this annual report are arranged and related to one another.

Figure A-1 Organization of the School District's Annual Financial Report

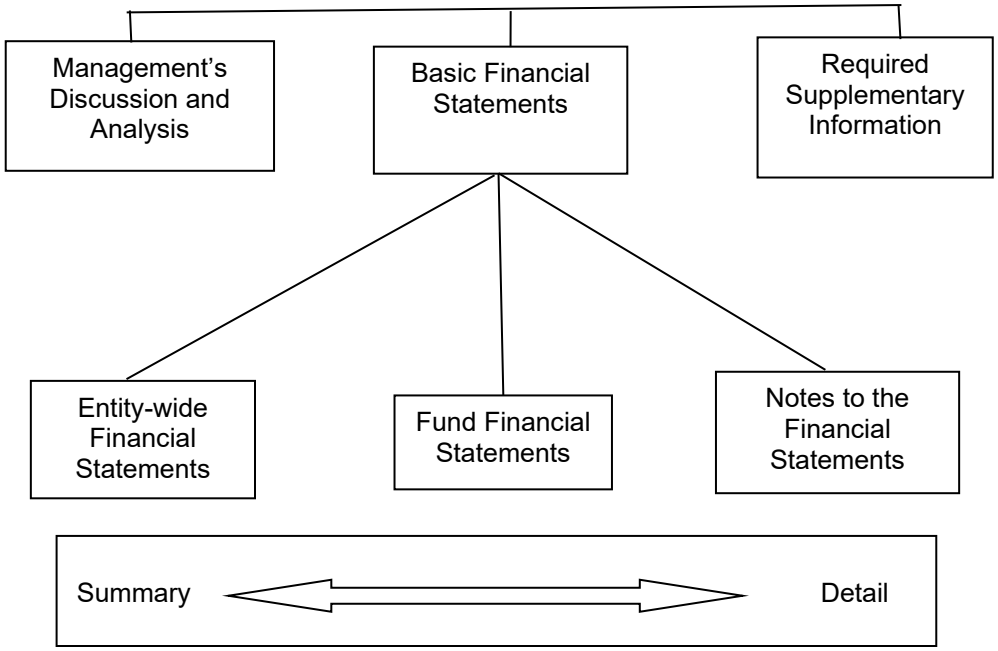


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements

		Fund Financial Statements	
	Government-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The daily operating activities of the School District, such as instruction and special education.	School District administers resources on behalf of others.
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and change in fund balance	• Statement of fiduciary net position • Statement of change in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset/liability, deferred outflows/inflows of resources information	All assets, liabilities, deferred outflows & inflows of resources both financial and capital, short-term and long-term debt.	Current assets and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Statements
The Government-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Government-wide statements report the School District's *net position* and how they have changed. Net position – the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the School District's financial health or position.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources, (dollars), are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

Government-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenses using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
    - Net investment in capital assets.
    - Restricted net position has constraints placed on use by external sources or imposed by law.
    - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund Financial Statements
The fund financial statements provide more detailed information about the School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

The School District has two types of funds:

- Governmental Funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund, and the capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

- Fiduciary Funds: The School District is the trustee, or fiduciary, for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the Government-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Figure A-3 Condensed Statement of Net Position (In Thousands of Dollars)

	Fiscal Year 2023	Fiscal Year 2022	Percent Change
Current and other assets	$ 64,720	$ 59,718	8.38%
Noncurrent assets	72,629	107,944	-32.72%
Total assets	$ 137,349	$ 167,662	-18.08%
Deferred outflows of resources	$ 38,589	$ 32,397	19.11%
Current liabilities	$ 10,965	$ 11,541	-4.99%
Long-term liabilities	114,838	96,430	19.09%
Total liabilities	$ 125,803	$ 107,971	16.52%
Deferred inflows of resources	$ 19,942	$ 63,439	-68.57%
Net position:			
Net investment in capital assets	$ 53,659	$ 52,287	2.62%
Restricted	34,328	33,624	2.09%
Unrestricted	(57,794)	(57,262)	-0.93%
Total net position	$ 30,193	$ 28,649	5.39%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Changes in Net Position

The School District's 2023 revenue was $102,218,332 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 71% and 14%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from fees for services, use of money and property, operating grants, and other miscellaneous sources.

The total cost of all programs and services totaled $100,674,897 for 2023. These expenses are predominately for the education, supervision, and transportation of students (see Figure A-6). The School District's administrative and business activities accounted for 10% of total costs.

Net position increased during the year by $1,543,435 due to cost savings in comparison to budget, offset by the effects of recognizing ERS and TRS proportionate liabilities, deferred outflows, liabilities and deferred inflows.

Figure A-4 Changes in Net Position from Operating Results (In Thousands of Dollars)

	Fiscal Year 2023	Fiscal Year 2022	Percent Change
Revenue:			
Charges for services	$ 551	$ 282	95.39%
Operating grants	6,817	5,588	21.99%
Capital grants	-	527	-100.00%
General revenue:			
Property taxes	74,938	73,124	2.48%
State aid	15,793	13,618	15.97%
Federal aid	83	130	-36.15%
Interest earnings	3,346	1,271	163.26%
Miscellaneous	690	637	8.32%
Total revenue	102,218	95,177	7.40%
Expenses:			
General support	9,596	8,730	9.92%
Instruction	84,232	70,701	19.14%
Transportation	4,921	4,038	21.87%
Debt service - Interest	357	416	-14.18%
Cost of sales - Food	1,569	1,074	46.09%
Total expenses	100,675	84,959	18.50%
Change in net position	$ 1,543	$ 10,218	84.90%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Figure A-5: Revenue Sources for 2023:

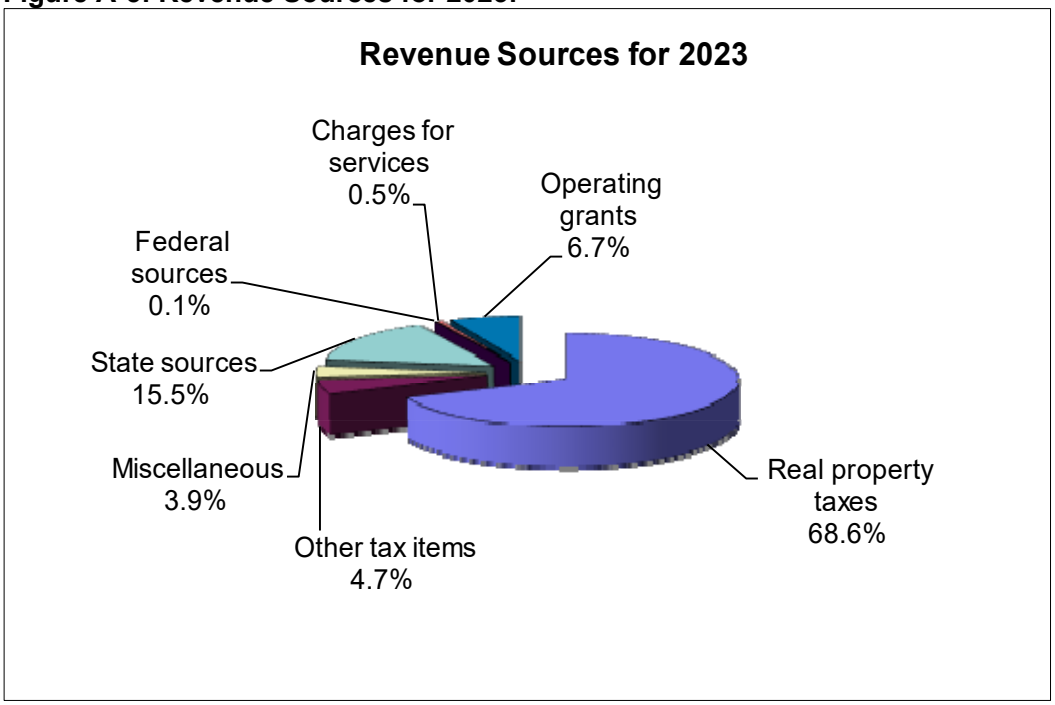
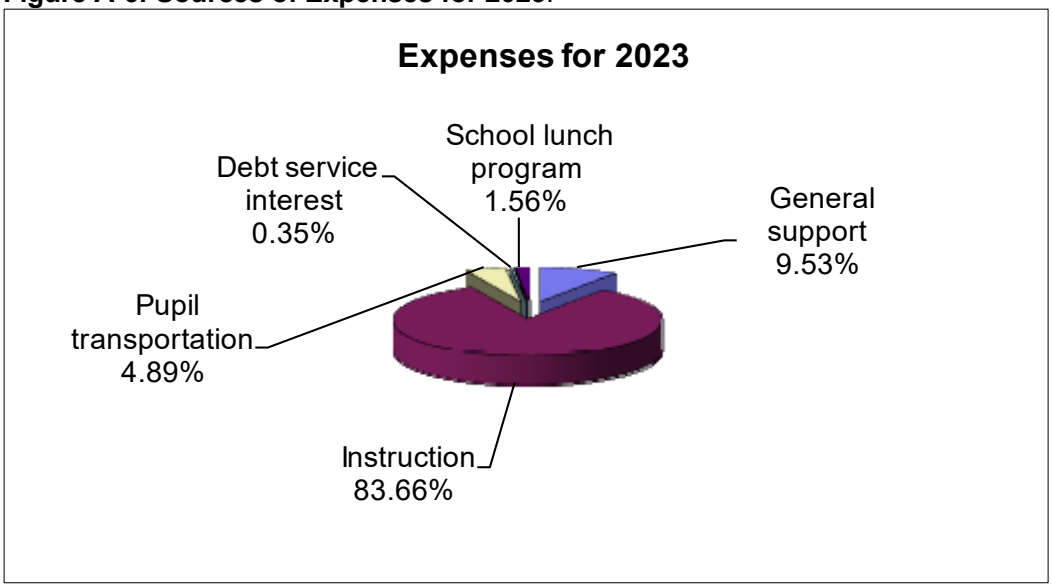


Figure A-6: Sources of Expenses for 2023:



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Governmental Activities

Revenue for the School District's governmental activities totaled $102,218,332 while total expenses were $100,674,897. Accordingly, net position increased by $1,543,435.

Figure A-7 presents the cost of several of the School District's major activities. The figure also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Figure A-7 Net Cost of Governmental Activities (In Thousands of Dollars)

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
General support	$ 9,595	$ 9,595	$ 8,731	$ 8,625
Instruction	84,232	78,021	70,702	65,790
Pupil transportation	4,921	4,921	4,038	4,038
Debt service - Interest	357	357	416	416
Cost of sales - Food	1,569	411	1,074	(306)
	$ 100,674	$ 93,305	$ 84,961	$ 78,563

- The cost of all governmental activities for the year was $100,674,897.
- The users of the School District's programs financed $550,559 of the costs through charges for services.
- The federal and state government financed $6,817,407 of the costs through operating grants. There were no capital grants earned during this fiscal year.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the government-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Governmental Funds Highlights

General Fund – The General Fund operated at a surplus of $138 thousand as a result of cost saving vs. budget. New York State operating aid is tied to the growth in New York State personal income and the available funds in the state budget. The School District continues to maximize revenues while closely monitoring its budgeted expenditures.

Special Aid Fund – Approximately $6.1 million was expended on various NYS and federal grant programs.

School Lunch Fund – Operated at a deficit of approximately $282,000 while providing nutritious choices to students.

Capital Projects Fund – Expenditures in the Capital Projects Fund totaled $2.1 million and were primarily related to continuing improvement projects at various school buildings.

Debt Service Fund – Accounts for funds set aside to pay future bond payments.

Miscellaneous Special Revenue Fund – The activity in this fund reflects the extracurricular activities and scholarships.

General Fund Budgetary Highlights

The Nyack School District Board of Education presented a budget for 2022-23, which reflected their continued commitment to our K-12 academic, extracurricular, and athletic programs. It is the objective of the Board to provide quality, well-rounded opportunities for all students while remaining fiscally responsible to our community.

The 2022-2023 budget was successful in balancing the educational needs of our students despite the fiscal constraints of the tax levy cap. This year's calculated allowable tax levy increase was 2.45% with a 9.6% budget-to-budget increase to support capital needs. The overall average tax rate yielded an average increase of 2.38%. The Board continues to develop a budget at or below the maximum allowable tax levy limit since the inception of the NYS Tax Cap law while maintaining programs and class size guidelines throughout every grade level.

The 2022-23 budget included a $7,845,000 allocation of fund balance for the reduction of taxes and improvements to facilities. Transfers to Capital Fund of $3,400,000 was budgeted to fund the installation of air conditioning systems in the elementary Global Learning Commons and cafeterias at Nyack Middle School. Additional capital funds of $675,000 were allocated for renovations to the Hilltop Administration building professional center. $3,250,000 was approved for site work for the Middle School and District Offices to improve the access driveway and to install a sidewalk for children who walk to school. The entire project cost is $7,250,000 of which $4,000,000 was funded from Capital Reserve-2015. These improvements are currently ongoing and most will be completed during the 2023-24 school year.

The District continues to use of Federal Stimulus Funding to help meet a wide range of needs arising from the COVID-19 pandemic. This includes the safe reopening of schools, and sustaining their safe operation while addressing students' social emotional, mental health, and academic needs. The plans focus on student disproportionality impacted by the pandemic, including students from low-income families, students of color, English language learners, children with disabilities, students experiencing homelessness, migratory students, and children in foster care. The breakdown of District funds under the plans includes CARES $625,103; CRRSA $2,306,126; and ARP $3,444,382. The District has expended 100% of the CARES and CRRSA grants and approximately 70% of the ARP-ESSER3 Grant. The ARP funds will be fully expended by 6/30/24.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights (Continued)

Dr. Grace P. Chan was appointed Assistant Superintendent for Finance & Operations in May 2022 and has replaced Gloria P. Menoutis as the School Business Official. Dr. Chan re-vamped spending plans for both the CRRSA-ESSER2 and ARP-ESSER3 Grants during the fiscal year 2022-23. Specifically, Dr. Chan made the decision to apply funds from both grants toward salaries which created an excess fund balance. Amendments were filed and approved by NYSED. With the approval of the Nyack Board of Education, the excess fund balance will be used for various capital projects and for transfer to Capital Reserve-2015.

The academic achievements of our students are also important to reference in our reporting. Over 94.8% percent of the Class of 2023 graduates moved on to institutions of higher education. Nyack High School offers 19 advanced placement (AP) courses with the College Board naming 96 Nyack students as Advanced Placement Scholars in recognition of their exceptional achievement on the national college-level AP exams. Curriculum and instruction spotlights include a new social studies curriculum, race-conscious pedagogy staff training, a culturally responsive curriculum audit, and collaboration for the 1st annual Rockland County virtual diversity job fair. Equity, diversity and innovation, visual arts, music, and athletics received ongoing support within the 2022-23 budget.

The District continues to support its partners in community-based initiatives; The Nyack Basics campaign, established to educate parents and caregivers on how children aged 0-3 can learn and thrive with a community goal "All Students Read by 3rd Grade" and OCADA (Our Community Against Drug Abuse), a Nyack community-school based coalition that strives to raise awareness to combat substance abuse. "Confronting Challenge with Strength and a Shared Vision for Every Child" expresses how despite the challenges and changes faced by our students, families, and staff, the Nyack School District continues to thrive with pride.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Results vs. Budget (In Thousands of Dollars)

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Local sources	$ 76,813	$ 76,813	$ 78,496	$ -	$ 1,683
State sources	15,425	15,425	15,793	-	368
Federal sources	75	-	-	-	-
Medicaid reimbursement	-	75	83	-	8
Proceeds from issuance of leases	-	-	16	-	16
Transfers in	1	751	1,927	-	1,176
Total	92,314	93,064	96,315	-	3,251
Expenditures:					
General support	8,049	10,477	8,670	969	838
Instruction	57,896	59,830	53,468	1,065	5,297
Transportation	5,084	4,905	4,720	12	173
Employee benefits	19,833	19,327	17,661	80	1,586
Debt service	1,850	1,850	1,886	-	(36)
Transfers out	7,447	11,547	9,772	-	1,775
Total	100,159	107,936	96,177	2,126	9,633
Revenue over (under) expenditures	$ (7,845)	$ (14,872)	$ 138	$ (2,126)	$ 12,884

The general fund is the only fund for which a budget is legally adopted.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2023, the School District had $68,963,582 invested in buildings, computers, and other educational equipment.

Figure A-8 Capital Assets (In Thousands of Dollars), net of accumulated depreciation

	Fiscal Year 2023	Fiscal Year 2022
Land	$ 2,368	$ 2,368
Buildings and improvements	50,863	51,771
Construction in progress	14,384	13,415
Machinery and equipment	1,318	1,111
Vehicles	8	16
Leased equipment	23	41
Total	$ 68,964	$ 68,722

LONG-TERM LIABILITIES

As of June 30, 2023, the School District had $117 million in long-term liabilities. Detailed information about the School District's long-term liabilities is included in the notes to the financial statements.

Figure A-9 Outstanding Long-Term Debt (In Thousands of Dollars)

	Fiscal Year 2023	Fiscal Year 2022
General obligation bonds	$ 12,326	$ 13,619
Installment debt	2,347	2,545
Lease liabilities	22	41
Retirement incentive obligation	3,001	1,800
Net pension liability	6,094	-
Total other postemployment benefit liability	93,221	80,474
Total	$ 117,011	$ 98,480

During 2023, the School District paid down its bonded debt by $1,115,000.

Under current state statutes, the School District's general obligation bonded debt issues are subject to a legal limitation based on 10% of the total full value of real property. At June 30, 2023, the School District's general obligation debt was significantly less than its total debt limit. The School District has a bond rating of Aa2.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

The Nyack School District understands the importance of strategically planning now for future budgets. The School District is committed to balancing the needs of our students while being fiscally responsible to our taxpayers given the restrictions imposed by the NYS property tax cap legislation. In order to proactively protect future budgets and prepare for unanticipated needs, it is crucial the School District closely manages its finances and functions in a fiscally conservative manner by setting aside unassigned funds and maintaining legally permissible reserves.

As of June 30, 2023, the renovation of the libraries in all five school district buildings is substantially complete as part of the voter-approved Global Learning Commons capital projects. Upgrades to the middle school site and cafeteria server are mostly complete. During the 2022-23 school year, the district commenced work on the Hilltop Professional Learning Center. This project is now approximately 75% complete.

The School District continuously examines ways to reduce expenses while maintaining programs by way of shared services with BOCES, purchasing consortiums, integrated technology and innovation efficiencies, joint insurance pools, and cooperative collective bargaining with unions. Nyack is additionally committed to seeking new opportunities to increase revenues by way of leasing available building space to Rockland BOCES in support of their academic programs. Nyack will continue to pursue available grant funding and maintain reserve funds to help secure our ability to manage for the future.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Nyack Union Free School District
School District Office
13A Dickinson Avenue
Nyack, NY 10960

NYACK UNION FREE SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents - unrestricted	$ 3,511,220
Cash and cash equivalents - restricted	7,619,862
Investments - unrestricted	18,794,192
Investments - restricted	26,284,560
Accounts receivable	56,144
Due from other governments	879,355
State and federal aid receivable	6,694,386
Lease receivable - short-term	857,321
Inventory	22,817
Total current assets	64,719,857
NONCURRENT ASSETS:	
Lease receivable	3,665,434
Capital assets, nondepreciable	16,752,399
Capital assets, net of depreciation and amortization	52,211,183
Total noncurrent assets	72,629,016
TOTAL ASSETS	137,348,873
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - ERS	1,599,282
Deferred outflows of resources - TRS	22,524,964
Deferred outflows of resources - OPEB	14,464,557
Total deferred outflows of resources	38,588,803
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	175,937,676
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	3,074,848
Accrued liabilities	655,916
Due to other governments	100,167
Unearned revenue	31,266
Due to Teachers' Retirement System	4,494,890
Due to Employees' Retirement System	141,068
Bond interest accrual	19,796
Compensated absences	273,099
Bonds payable due within one year	1,170,000
Installment debt payable due within one year	202,244
Lease liability due within one year	7,404
Retirement incentive obligation due within one year	794,305
Total current liabilities	10,965,003
LONG-TERM LIABILITIES:	
Bonds payable, net of current portion	9,735,000
Installment debt payable, net of current portion	2,145,104
Lease liability, net of current portion	14,561
Bond premium, net	1,421,433
Total other postemployment benefit liability	93,220,757
Net pension liability - ERS	1,905,396
Net pension liability - TRS	4,189,097
Retirement incentive obligation	2,206,331
Total long-term liabilities	114,837,679
TOTAL LIABILITIES	125,802,682
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - ERS	118,227
Deferred inflows of resources - TRS	1,989,231
Deferred inflows of resources - OPEB	13,634,355
Deferred inflows of resources - leases	4,200,252
Total deferred inflows of resources	19,942,065
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	145,744,747
NET POSITION	
Net investment in capital assets	53,658,715
Restricted	34,327,685
Unrestricted	(57,793,471)
TOTAL NET POSITION	$ 30,192,929

The accompanying notes are an integral part of these statements.

NYACK UNION FREE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants	Program Revenue: Capital Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:					
General support	$ 9,595,213	$ -	$ -	$ -	$ (9,595,213)
Instruction	84,232,111	180,232	6,030,425	-	(78,021,454)
Pupil transportation	4,921,434	-	-	-	(4,921,434)
Debt service interest	357,419	-	-	-	(357,419)
School lunch program	1,568,720	370,327	786,982	-	(411,411)
TOTAL FUNCTIONS/PROGRAMS	$ 100,674,897	$ 550,559	$ 6,817,407	$ -	(93,306,931)
GENERAL REVENUE:					
Real property taxes					70,130,502
Other tax items					4,807,943
Use of money and property					3,346,415
Sale of property and compensation for loss					14,668
Miscellaneous					674,734
State sources					15,793,100
Medicaid reimbursement					83,004
TOTAL GENERAL REVENUE					94,850,366
CHANGE IN NET POSITION					1,543,435
NET POSITION - beginning of year					28,649,494
NET POSITION - end of year					$ 30,192,929

The accompanying notes are an integral part of these statements.

NYACK UNION FREE SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Capital Projects Fund	Special Aid Fund	Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents - unrestricted	$ 2,762,506	$ 633,923	$ -	$ 114,791	$ 3,511,220
Cash and cash equivalents - restricted	7,502,190	-	-	117,672	7,619,862
Investments - unrestricted	8,344,410	9,729,290	-	720,492	18,794,192
Investments - restricted	19,357,874	3,821,867	-	3,104,819	26,284,560
Accounts receivable	47,620	-	-	8,524	56,144
Due from other funds	6,053,916	-	-	672,486	6,726,402
Due from other governments	879,355	-	-	-	879,355
State and federal aid receivable	200,021	221,012	6,220,688	52,665	6,694,386
Lease receivable	4,522,755	-	-	-	4,522,755
Inventory	-	-	-	22,817	22,817
TOTAL ASSETS	$ 49,670,647	$ 14,406,092	$ 6,220,688	$ 4,814,266	$ 75,111,693
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES:					
Accounts payable	$ 2,169,561	$ 609,121	$ 154,055	$ 142,111	$ 3,074,848
Accrued liabilities	1,450,221	-	-	-	1,450,221
Unearned revenue	-	-	12,602	18,664	31,266
Due to other funds	284,637	387,849	6,053,916	-	6,726,402
Due to other governments	100,000	-	115	52	100,167
Due to Teachers' Retirement System	4,494,890	-	-	-	4,494,890
Due to Employees' Retirement System	141,068	-	-	-	141,068
Compensated absences	273,099	-	-	-	273,099
TOTAL LIABILITIES	8,913,476	996,970	6,220,688	160,827	16,291,961
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows of resources - leases	4,200,252	-	-	-	4,200,252
TOTAL DEFERRED INFLOWS OF RESOURCES	4,200,252	-	-	-	4,200,252

(Continued)

NYACK UNION FREE SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2023

	General Fund	Capital Projects Fund	Special Aid Fund	Non-Major Funds	Total Governmental Funds
FUND BALANCE:					
Nonspendable:					
Inventory	$ -	$ -	$ -	$ 22,817	$ 22,817
Total nonspendable fund balance	-	-	-	22,817	22,817
Restricted:					
Retirement contributions	6,585,362	-	-	-	6,585,362
Liability claims	1,999,961	-	-	-	1,999,961
Capital	11,701,417	3,821,867	-	-	15,523,284
Tax certiorari	6,418,688	-	-	-	6,418,688
Unemployment insurance	154,636	-	-	-	154,636
Other	-	-	-	207,762	207,762
Debt service	-	-	-	3,437,992	3,437,992
Total restricted fund balance	26,860,064	3,821,867	-	3,645,754	34,327,685
Assigned:					
Appropriated for subsequent year's expenditures	3,396,000	-	-	-	3,396,000
Unappropriated	-	9,587,255	-	984,868	10,572,123
Appropriated	2,126,279	-	-	-	2,126,279
Total assigned fund balance	5,522,279	9,587,255	-	984,868	16,094,402
Unassigned	4,174,576	-	-	-	4,174,576
TOTAL FUND BALANCE	36,556,919	13,409,122	-	4,653,439	54,619,480
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 49,670,647	$ 14,406,092	$ 6,220,688	$ 4,814,266	$ 75,111,693

The accompanying notes are an integral part of these statements.

NYACK UNION FREE SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION
JUNE 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balance	$ 54,619,480
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	68,963,582
Pension-related government-wide activity	
Deferred outflows - ERS/TRS	24,124,246
Deferred inflows - ERS/TRS	(2,107,458)
Net pension liability - ERS/TRS	(6,094,493)
OPEB-related government-wide activity	
Deferred outflows of resources	14,464,557
Deferred inflows of resources	(13,634,355)
Total OPEB liability	(93,220,757)
Long-term liabilities, including serial bonds, installment purchase obligations, and leases, are not due in the current period and, therefore, are not reported in the funds	(13,274,313)
Bond premium is recorded as revenue in the fund financial statements, but is amortized over the life of the bond under full accrual accounting	(1,421,433)
Retirement incentive obligation is not due and payable in the current period and, therefore, is not reported in the funds	(2,206,331)
Interest payable is to be recorded in the government-wide statements under full accrual accounting	(19,796)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 30,192,929

The accompanying notes are an integral part of these statements.

NYACK UNION FREE SCHOOL DISTRICT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Fund	Special Aid Fund	Non-Major Funds	Total Governmental Funds
REVENUE:					
Real property taxes	$ 70,130,502	$ -	$ -	$ -	$ 70,130,502
Other tax items	4,807,943	-	-	-	4,807,943
Charges for services	180,232	-	-	-	180,232
Use of money and property	2,831,503	-	-	514,912	3,346,415
Sale of property and compensation for loss	14,668	-	-	-	14,668
Miscellaneous	531,344	-	-	143,390	674,734
State sources	15,793,100	-	1,013,228	18,143	16,824,471
Medicaid reimbursement	83,004	-	-	-	83,004
Federal sources	-	-	5,017,197	768,839	5,786,036
Sales - school lunch	-	-	-	370,327	370,327
Total revenue	94,372,296	-	6,030,425	1,815,611	102,218,332
EXPENDITURES:					
General support	8,669,819	-	-	-	8,669,819
Instruction	53,468,259	-	5,548,608	126,564	59,143,431
Pupil transportation	4,720,408	-	150,676	-	4,871,084
Employee benefits	17,660,726	-	427,287	-	18,088,013
Debt service - interest	537,952	-	-	-	537,952
Debt service - principal	1,347,999	-	-	-	1,347,999
Cost of sales	-	-	-	1,478,428	1,478,428
Capital outlay	-	2,058,059	-	-	2,058,059
Total expenditures	86,405,163	2,058,059	6,126,571	1,604,992	96,194,785
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	7,967,133	(2,058,059)	(96,146)	210,619	6,023,547
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of leases	15,904	-	-	-	15,904
Operating transfers in	1,927,280	9,675,000	96,998	-	11,699,278
Operating transfers (out)	(9,771,998)	(1,926,428)	(852)	-	(11,699,278)
Total other financing sources (uses)	(7,828,814)	7,748,572	96,146	-	15,904
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	138,319	5,690,513	-	210,619	6,039,451
FUND BALANCE - beginning of year	36,418,600	7,718,609	-	4,442,820	48,580,029
FUND BALANCE - end of year	$ 36,556,919	$ 13,409,122	$ -	$ 4,653,439	$ 54,619,480

The accompanying notes are an integral part of these statements.

NYACK UNION FREE SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balance - Total governmental funds	$ 6,039,451
Capital outlays, including those associated with leases, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	2,802,796
Depreciation and amortization are not recorded as expenditures in the governmental funds, but are recorded in the statement of activities.	(2,561,513)
Proceeds from the issuance of leases are recorded as other financing sources for the governmental funds but are not recorded in the statement of activities.	(15,904)
Repayments of long-term debt, including serial bonds, installment purchase obligations, and leases, are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	1,347,999
Government funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	177,679
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(3,549,395)
Pension expense or revenue resulting from GASB 68 related reporting is not recorded as an expenditure/revenue in the government funds but is recorded in the statement of activities	(1,589,614)
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds:	
Change in accrued interest	2,854
Change in long-term portion of retirement incentive obligation	(1,110,918)
Change in net position - Governmental activities	$ 1,543,435

The accompanying notes are an integral part of these statements.

NYACK UNION FREE SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2023

	Custodial Funds
ASSETS:	
Cash - restricted	$ -
LIABILITIES:	
Other liabilities	-
NET POSITION:	
Restricted	$ -

NYACK UNION FREE SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Funds
ADDITIONS:	
Tax collections for other governments	$ 5,569,668
DEDUCTIONS:	
Payments of tax to other governments	5,569,668
CHANGE IN NET POSITION	-
NET POSITION - beginning of year	-
NET POSITION - end of year	$ -

The accompanying notes are an integral part of these statements.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nyack Union Free School District provides K-12 public education to students living within its geographic borders.

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

Significant accounting principles and policies utilized by the School District are described below:

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

The reporting entity of the School District is based upon criteria set forth by generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is included in the School District's reporting entity:

Extra classroom Activity Funds
The extra classroom activity funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. Separate audited financial statements (cash basis) of the extra classroom activity funds can be found at the School District's business office. The School District accounts for assets for various student organizations in the Miscellaneous Special Revenue Fund.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture

The School District is a component School District in the Rockland Board Of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of School Districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a School District can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES board is considered a corporate body. Members of a BOCES board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES board as a corporation (§1950(6)). In addition, BOCES boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n (a) of the New York State General Municipal Law.

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

Financial statements for the BOCES are available from the BOCES administrative office.

Basis of Presentation

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital), grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between program expenses and revenue for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue include charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements

The School District uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The fund statements provide information about the School District's funds, including fiduciary funds.

Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)
The accounts of the School District are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types used by the School District are as follows:

Governmental Fund Types
Governmental funds are those in which most governmental functions of the School District are reported. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income. The following are the School District's governmental fund types:

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

Special Aid Fund: These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Non-major funds:
School Lunch Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Debt Service Fund: This fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.

Miscellaneous Special Revenue Fund: This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Funds and scholarships are included in this fund.

Fiduciary Fund Types
Fiduciary funds are used to account for assets held by the School District as an agency for individuals, private organizations, other governmental units, and/or other funds. These activities are not included in the Government-wide financial statements, because their resources do not belong to the School District and are not available to be used.

The School District utilizes the following fiduciary fund:

Custodial Funds are strictly custodial in nature. These are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. At the School District, taxes collected on behalf of other governments are recorded in this fund.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Cash, Cash Equivalents, and Investments

Cash and cash equivalents consist of cash on hand and funds deposited in demand deposit accounts. The District's investments are in New York Cooperative Liquid Assets Securities System (NYCLASS). The School District's deposit 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. Permissible investments include NYCLASS, obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions and accordingly, the School District's policy provides for no credit risk on investments.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Investments (Continued)

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

The School District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. NYCLASS is rated 'AAAm' by S&P Global Ratings. The investments are highly liquid, and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Due to the highly liquid nature of these investments, they are classified as cash equivalents in the financial statements. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

Accounts and Lease Receivable

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

Inventory and Prepaid Items

Inventory of food in the school lunch fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

A portion of fund balance has been classified as nonspendable to indicate that inventory and prepaids do not constitute available spendable resources.

Interfund Transactions

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

In the Government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types. Eliminations have been made for all interfund receivables and payables between the funds.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets
Capital assets are reflected in the Government-wide financial statements. Capital assets are reported at historical cost or estimated historical costs, based on appraisals conducted by independent third party professionals. Donated assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets, except land, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds and estimated useful lives of capital assets reported in the Government-wide statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Land/Site Improvements	$ 5,000	20
Buildings and Improvements	$ 5,000	15-20
Furniture and Equipment	$ 1,000	5-15

Capital assets also include lease assets with a term greater than one year. The School District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

Property Taxes
Real property taxes are levied annually by the board of education no later than September 1, and become a lien on August 26. Taxes are collected during the period September 1 to September 30.

Uncollected real property taxes are subsequently enforced by the County of Rockland. An amount representing uncollected real property taxes is transmitted to the County for enforcement and is paid by the County to the School District no later than the forthcoming April 1.

Vested Employee Benefits
Compensated absences
Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

School District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 16, *Accounting for Compensated Absences,* the liability for compensated absences has been calculated using the vesting/termination method and an accrual for that liability is included in the government-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end. In the fund statements only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Benefits

Eligible School District employees participate in the New York State Employees' Retirement System or the New York State Teachers' Retirement System.

School District employees may choose to participate in the School District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

Other Postemployment Benefits

In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the School District and the retired employee. The School District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. At the fund level the School District recognizes the cost of providing health care insurance by recording its share of insurance premiums as an expenditure.

Unearned Revenue

Unearned revenue is reported when potential revenue meets both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Unearned revenue recorded in governmental funds is generally not recorded in the Government-wide statements.

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the Government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources.

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

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenditure/expenses) until then. The School District has the following items that qualify for reporting in this category:

- Deferred charges resulting from pension and OPEB contributions made subsequent to the measurement date of the plan. The amortization is expensed against pension expense and OPEB expense in future periods.

- Deferred charges resulting from differences between projected and actual earnings on pension plan investments, changes in proportion and differences between the School District's contributions and proportionate share of contributions, differences between expected and actual plan experience, and changes in plan assumptions. The amortization is expensed against pension expense in future periods.

- Deferred charges resulting from differences between expected and actual experience and changes in assumptions related to OPEB. The amortization is offset against OPEB expense in future periods.

The separate financial statement element, deferred inflows of resources, 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 then. The School District has the following items that qualify for reporting in this category:

- The net amount of the School District's balances of deferred inflows of resources related to pensions is reported in the government-wide Statement of Net Position as deferred inflows of resources. This represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and the difference during the measurement period between the School District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Deferred inflows also relate to differences between expected and actual plan experience, changes in plan assumptions, and differences between projected and actual earnings on pension plan investments.

- Deferred inflows resulting from changes of benefit terms, differences between expected and actual experience, and changes in assumptions related to OPEB. The amortization is offset against OPEB expense in future periods.

- Lease-related amounts are recognized at the inception of leases when the School District is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Restricted Resources

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance/Net Position Classifications

Government-Wide Statements
In the Government-wide statements, there are three classes of net position:

Net investment in capital assets - consists of net capital assets, (cost less accumulated depreciation) plus unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets.

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

Unrestricted net position - reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the School District.

Governmental Fund Statements
In the fund basis statements, there are five classifications of fund balance:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually are required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund.

Governmental Fund Statements
Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has available the following restricted fund balances:

Capital
Capital reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund under restricted fund balance.

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance/Net Position Classifications (Continued)

Debt Service
Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. The reserve is accounted for in the debt service fund under restricted fund balance.

Liability Claims and Property Loss
Liability claims and property loss reserve, (Education Law §1709(8) (c), are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by School Districts, except city School Districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

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

Retirement Contributions Reserve Fund
According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve is accounted for in the general fund under restricted fund balance. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2023.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance/Net Position Classifications (Continued)

Governmental Fund Statements (Continued)

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $2,126,279. Appropriated fund balance in the General Fund amounted to $3,396,000. Any remaining fund balance in other funds is considered assigned. The school lunch fund also reports assigned fund balance of $984,868 and the capital projects fund reports assigned fund balance of $9,587,255. As of June 30, 2023, the District's General Fund encumbrances were classified as follows:

General support	$ 968,726
Instruction	1,065,102
Pupil transportation	12,330
Employee benefits	80,121
Total encumbrances	$ 2,126,279

Encumbrances

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

Unassigned fund balance - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the School District can retain to no more than 4% of the School District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Fund Balance Spending Policy

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

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities compared with the current financial resources focus of the governmental funds.

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

Total fund balances of the School District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Change in Fund Balance vs. Statement of Activities

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of five broad categories:

Long-Term Revenue and Expense Differences
Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

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

Long-Term Debt Transaction Differences
Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

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

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

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The School District's administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the School District approved the proposed appropriations budget for the General Fund.

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year.

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The School District had supplemental appropriations during the year totaling approximately $4.9 million dollars. Voters approved a $4 million dollar transfer from the capital reserve to fund a capital project for various upgrades to the Nyack Middle School and Hilltop/Administration Building Campus. There were also supplemental appropriations involving the use of the tax certiorari reserve to pay settled tax certiorari claims.

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

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

Fund Balance

Portions of fund balances are restricted and not available for current expenditures, as reported in the governmental funds' balance sheet.

4. CASH AND CASH EQUIVALENTS

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. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these Notes.

4. CASH AND CASH EQUIVALENTS (Continued)

The School District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

	Bank Balance	Carrying Amount
Cash	$ 11,758,870	$ 11,131,082
Collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name	$ 10,694,407	
Covered by FDIC insurance	1,064,463	
Total	$ 11,758,870	

Restricted cash and investments represent cash or investments where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

Restricted cash and investments consists of the following:

General fund:	
Retirement contributions	$ 6,585,362
Liability claims	1,999,961
Capital projects	11,701,417
Tax certiorari	6,418,688
Unemployment insurance	154,636
	$ 26,860,064
Miscellaneous Special Revenue fund:	
Cash on deposit for scholarships, extraclassroom activity funds, and local grants	$ 172,348
Debt service fund	$ 3,050,143
Capital projects fund	$ 3,821,867

5. INVESTMENTS

The School District participates in the New York Cooperative Liquid Asset Securities System (NYCLASS) local government investment pool. A separate financial report for NYCLASS is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* as amended by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.* Copies of the report can be obtained from the NYCLASS website at newyorkclass.org.

5. INVESTMENTS (Continued)

NYCLASS measures its investments at fair value and therefore a Participant's investments in the pools are not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72.

NYCLASS and NYCLASS Prime are rated by S&P Global Ratings. The current rating is 'AAAm.'

The dollar weighted average days to maturity (WAM) of NYCLASS at June 30, 2023 is 74 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of NYCLASS at March 31, 2023 was 46 days. This was the most recent data available.

The U.S. Treasuries within the NYCLASS portfolio are backed by the full faith and credit of the United States Government and therefore do not require collateral. New York State Municipal Bonds within the portfolio are backed by the full faith and credit of the State of New York and therefore do not require collateral. The other permissible investment security types are collateralized in accordance with NYS GML Section 10 and the NYCLASS Investment Policy. Repurchase Agreements (repo) are collateralized 102% by either U.S. Treasuries or U.S. Agencies. Certificates of Deposit (CD) also require full collateral; currently NYCLASS CDs are being collateralized by Federal Home Loan Bank (FHLB) Letters of Credit (LOC).

NYCLASS Portfolio Holdings as of June 30, 2023:	
U.S. Treasury Securities (Full Faith and Credit)	57.57%
Bank Deposits (Collateralized)	10.14%
Repurchase Agreements (Collateralized)	29.89%
FDIC Insured Bank Deposits	2.40%
	100.00%

NYCLASS Investment balance as of June 30, 2023:	$ 45,078,752

6. PARTICIPATION IN BOCES

During the year, the School District was billed $9,261,726 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to $1,345,033.

7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023, were as follows:

	July 1, 2022 Balance	Additions	Deletions	June 30, 2023 Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 2,368,450	$ -	$ -	$ 2,368,450
Construction in progress	13,414,593	2,420,073	1,450,717	14,383,949
Total non-depreciable cost	15,783,043	2,420,073	1,450,717	16,752,399
Capital assets that are depreciated:				
Buildings and improvements	87,581,819	1,450,717	-	89,032,536
Machinery and equipment	2,144,876	366,819	-	2,511,695
Vehicles	90,492	-	-	90,492
Total depreciable historical cost	89,817,187	1,817,536	-	91,634,723
Less accumulated depreciation:				
Buildings and improvements	35,810,543	2,359,758	-	38,170,301
Machinery and equipment	1,033,857	159,618	-	1,193,475
Vehicles	74,278	8,057	-	82,335
Total accumulated depreciation	36,918,678	2,527,433	-	39,446,111
Total depreciable cost, net	52,898,509	(709,897)	-	52,188,612
Leased assets that are amortized:				
Equipment	88,186	15,904	73,538	30,552
Total leased assets that are amortized	88,186	15,904	73,538	30,552
Less accumulated amortization:				
Equipment	47,439	34,080	73,538	7,981
Total accumulated amortization	47,439	34,080	73,538	7,981
Total leased assets, net	40,747	(18,176)	-	22,571
Total capital assets, net	$ 68,722,299	$ 1,692,000	$ 1,450,717	$ 68,963,582

Depreciation and amortization expense for the year ended June 30, 2023 were allocated to specific functions as follows:

	Depreciation	Amortization
General support	$ 7,430	$ 34,080
Instruction	2,487,960	-
Cost of sales	32,043	-
Total	$ 2,527,433	$ 34,080

8. SHORT-TERM DEBT

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

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

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

At June 30, 2023, the School District did not have any short-term debt outstanding.

9. LONG-TERM OBLIGATIONS

Interest on debt for the year was composed of:

Interest paid	$ 537,952
Less: Interest accrued in the prior year	(22,650)
Less: Bond amortization in current year	(177,679)
Plus: Interest accrued in the current year	19,796
Total expense	$ 357,419

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

	July 1, 2022 Balance	Additions	Deletions	June 30, 2023 Balance	Amounts Due Within One Year	Long-term Portion
Government activities:						
Long-term debt:						
General obligation debt:						
Serial bonds	$ 12,020,000	$ -	$ 1,115,000	$ 10,905,000	$ 1,170,000	$ 9,735,000
Bond premiums	1,599,112	-	177,679	1,421,433	-	1,421,433
Installment purchase obligations	2,545,452	-	198,104	2,347,348	202,244	2,145,104
Lease liabilities	40,956	15,904	34,895	21,965	7,404	14,561
Other long-term liabilities:						
Retirement incentive obligation	1,799,626	1,201,010	-	3,000,636	794,305	2,206,331
Net pension liability	-	6,094,493	-	6,094,493	-	6,094,493
Total other postemployment benefits	80,474,285	12,746,472	-	93,220,757	-	93,220,757
Total long-term liabilities	$ 98,479,431	$20,057,879	$ 1,525,678	$117,011,632	$ 2,173,953	$ 114,837,679

The School District offers participating and eligible teachers hired prior to July 1, 2005 with at least 15 years of service with the School District, a retirement incentive equal to 5 times his/her number of years in the School District multiplied by 1/200th of his/her final year's contract salary or 50% of his/her final year's contract salary, whichever is greater. Those eligible are paid over the course of four years.

9. LONG-TERM OBLIGATIONS (Continued)

The following is a summary of the maturity of the retirement incentive obligation:

Fiscal Year Ending June 30,	Amount
2024	$ 794,305
2025	863,427
2026	688,696
2027	474,773
2028	179,434
Total	$ 3,000,636

Issue dates, maturities, and interest rates on outstanding debt are as follows:

Bond Issue	Issued	Maturity	Interest Rate	June 30, 2023 Balance
Serial Bonds - Capital improvements	2019	2031	3.00-5.00%	$ 10,905,000
				$ 10,905,000

During the year ended June 30, 2021, the School District entered into an equipment purchase agreement to finance the purchase of energy conservation measures and equipment. The total acquisition amount was $2,955,435, which is to be paid in annual principal payments through the year ended June 30, 2034. The annual interest rate is 2.079%. In the event of default, the bank has the right to declare all rental payments to be due, retake possession of the equipment, terminate the escrow agreement, and take other action necessary to enforce its rights under the agreement.

The following is a summary of the maturity of bonds payable and installment purchase debt:

	Serial Bonds		Installment Purchases		
Fiscal Year Ending June 30,	Principal	Interest	Principal	Interest	Total
2024	$ 1,170,000	$ 429,600	$ 202,244	$ 47,756	$ 1,849,600
2025	1,225,000	371,100	206,471	43,529	1,846,100
2026	1,285,000	309,850	210,786	39,214	1,844,850
2027	1,350,000	245,600	215,191	34,809	1,845,600
2028	1,405,000	191,600	219,688	30,312	1,846,600
2029-2033	4,470,000	316,950	1,169,254	80,746	6,036,950
2034-2035	-	-	123,714	1,286	125,000
Totals	$ 10,905,000	$ 1,864,700	$ 2,347,348	$ 277,652	$ 15,394,700

10. LEASES

Lessee Agreements

The School District leases copiers and equipment from several companies. It is not reasonably certain that the School District will exercise a renewal option for any of these leases. The leases have various inception dates and remaining terms ranging from 5 to 53 months. Lease agreements are summarized as follows:

Description	Interest Rate/ Discount Rate	Lease Liability
Folder Inserter Machine	3.54%	$ 13,822
Equipment - Quadient Leasing	2.16%	8,143
Total leases		$ 21,965

Activity of lease liabilities for the year ended June 30, 2023 is summarized as follows:

Beginning Balance	Additions	Subtractions	Ending Balance	Amount due within One Year
$ 40,956	$ 15,904	$ 34,895	$ 21,965	$ 7,404

Annual requirements to amortize long-term obligations and related interest are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30:			
2024	$ 7,404	$ 586	$ 7,990
2025	7,623	367	7,990
2026	5,818	149	5,967
2027	1,120	10	1,130
2028	-	-	-
	$ 21,965	$ 1,112	$ 23,077

Lessor Agreements

The School District is the lessor of building space to Rockland BOCES. The lease agreements have various inception dates and remaining terms ranging from 36 to 60 months. Lease agreements are summarized as follows:

Description	Interest Rate / Discount Rate	Total Future Receipts
Rockland BOCES - Old Nyack High School	3.54%	$ 4,365,000
Rockland BOCES - Admin building room 304	2.16%	587,607
		$ 4,952,607

10. LEASES (Continued)

The total future receipts column represents the total amount that the School District will receive during the remaining life of each lease.

Activity of lease inflows for the year ended June 30, 2023 is summarized as follows:

Lease-related revenue	Year Ending June 30, 2023
Lease revenue	
Building	$ 1,214,675
Land	73,222
Total lease revenue	1,287,897
Interest revenue	70,276
Variable and other revenue	-
Total	1,358,173

Future minimum lease payments due to the School District are as follows:

	Principal	Interest	Total
2024	$ 857,321	$ 175,358	$ 1,032,679
2025	939,339	110,469	1,049,808
2026	992,094	79,026	1,071,120
2027	842,194	47,806	890,000
2028	891,807	17,193	909,000
	$ 4,522,755	$ 429,852	$ 4,952,607

11. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are eliminated on the statement of net position.

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

The following is a summary of interfund activity:

	Interfund		Interfund	
	Receivable	Payable	Revenue	Expenditures
General fund	$ 6,053,916	$ 284,637	$ 1,927,280	$ 9,771,998
Special aid fund	-	6,053,916	96,998	852
School lunch fund	247,294	-	-	-
Debt service fund	387,849	-	-	-
Miscellaneous special revenue fund	37,343	-	-	-
Capital fund	-	387,849	9,675,000	1,926,428
Totals	$ 6,726,402	$ 6,726,402	$ 11,699,278	$ 11,699,278

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

12. PENSION PLANS

New York State Employees' Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an employer elects to participate in the System, 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 (GLIP), which provides death benefits in the form of life insurance. The system 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/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions
The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27th, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 – 3.5 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS
2023	$ 424,696
2022	$ 580,636
2021	$ 595,875

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
At June 30, 2023, the School District reported a net pension liability of $1,905,396 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2022. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2023 and 2022, the School District's proportion was .0088854% and .0091891%, respectively, which were measured at March 31, 2023 and 2022, respectively.

12. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)
For the year ended June 30, 2023, the School District recognized pension expense of $810,525. At June 30, 2023, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 202,940	$ 53,511
Changes of assumptions	925,383	10,227
Net difference between projected and actual earnings on pension plan investments	-	11,194
Changes in proportion and differences between the District's contributions and proportionate share of contributions	329,891	43,295
Contributions subsequent to the measurement date	141,068	-
Total	$ 1,599,282	$ 118,227

The School District recognized $141,068 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2023 which will be recognized on a reduction of the net pension liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ending March 31:	
2024	$ 365,072
2025	(18,241)
2026	451,691
2027	541,464
2028	-
Thereafter	-
	$ 1,339,987

12. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Actuarial Assumptions
The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.9 percent
Salary scale	4.4 percent indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

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 and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic equity	32.0	4.30%
International equity	15.0	6.85%
Private equity	10.0	7.50%
Real estate	9.0	4.60%
Opportunistic/ARS portfolio	3.0	5.38%
Credit	4.0	5.43%
Real assets	3.0	5.84%
Fixed income	23.0	1.50%
Cash	1.0	0.00%
	100%	

Discount Rate
The discount rate used to calculate the total pension liability was 5.9%. 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. Based upon the assumptions, the Plan'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.

12. PENSION PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

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

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Employer's Proportionate Share of Net Pension Liability (Asset)	$ 4,604,525	$ 1,905,396	$ (350,040)

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2023, was as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 232,627,259
Net position	211,183,223
Net pension liability (asset)	$ 21,444,036
ERS net position as a percentage of total pension liability	90.78%

New York State Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

12. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

The School District is required to contribute at an actuarially determined rate. The School District contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	TRS
2023	$ 4,042,952
2022	$ 3,790,041
2021	$ 3,537,916

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2023, the School District reported a net pension liability of $4,189,097 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2023 and 2022, the School District's proportionate share was 0.218308% and 0.218721%, respectively, which were measured at June 30, 2022 and 2021, respectively.

For the year ended June 30, 2023, the School District recognized pension expense of $5,264,587. At June 30, 2023 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,389,643	$ 83,942
Changes of assumptions	8,126,140	1,687,487
Net difference between projected and actual earnings on pension plan investments	5,412,711	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	101,580	217,802
Contributions subsequent to the measurement date	4,494,890	-
Total	$ 22,524,964	$ 1,989,231

The School District recognized $4,494,890 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2022, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

12. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ending June 30:	
2023	$ 3,077,768
2024	1,607,460
2025	(689,484)
2026	10,624,678
2027	1,354,263
Thereafter	66,159
	$ 16,040,843

Actuarial Assumptions

The total pension liability at the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.30% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant morality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions and has updated the mortality improvement assumption as of June 30, 2022.

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.

12. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)
Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2022 are summarized in the following table:

Asset Type	Target Allocations in %	Long-term expected real rate of return in %
Domestic equity	33.0	6.5%
International equity	16.0	7.2%
Global equity	4.0	6.9%
Real estate equity	11.0	6.2%
Private equity	8.0	9.9%
Domestic fixed income	16.0	1.1%
Global bonds	2.0	0.6%
High-yield bonds	1.0	3.3%
Private debt	2.0	5.3%
Real estate debt	6.0	2.4%
Cash equivalents	1.0	-0.3%
	100%	

Discount Rate
The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from School Districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' 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.

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption
The following presents the net pension liability (asset) of the School Districts calculated using the discount rate of 6.95 percent, as well as what the School Districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of Net Pension Liability (Asset)	$ 38,625,439	$ 4,189,097	$ (24,771,641)

12. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Pension Plan Fiduciary Net Position
The components of the current year net pension liability (asset) of the employers as of June 30, 2022, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 133,883,474
Net position	131,964,582
Net pension liability (asset)	$ 1,918,892
TRS net position as a percentage of total pension liability	98.6%

Payables to the Pension Plans
For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System.

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Employee contributions are remitted monthly.

As of June 30, 2023, the School District had payables to the pension plans as follows:

ERS Liability $141,068
TRS Liability $4,494,890

13. TOTAL OTHER POSTEMPLOYMENT BENEFITS

Plan Description
The School District's defined benefit OPEB plan provides OPEB for all permanent full-time general and public safety employees of the School District.

The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided
The School District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

13. TOTAL OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Actives	432
Retirees	285
Beneficiaries	13
Spouses of Retirees	89
Total participants	819

Total OPEB Liability

The School District's total OPEB liability of $93,220,757 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Payroll growth	2.4 percent including inflation
Discount Rate	3.65 percent as of July 1, 2022
Healthcare Cost Trend Rates	5.1 percent, decreasing to an ultimate rate of 4.1 percent over 54 years.
Participation rate	Assumed that 100% of future retirees eligible for coverage will elect the benefit.
Cost method	Entry Age Normal

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

Changes in the Total OPEB Liability

Balance at July 1, 2022	$ 80,474,285
Changes for the Year	
Service cost	3,314,847
Interest	2,920,280
Changes of benefit terms	-
Changes in assumptions or other inputs	9,124,762
Effect of demographic gains or losses	-
Benefit payments	(2,613,417)
Net changes	12,746,472
Balance at June 30, 2023	$ 93,220,757

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% to 3.65%.

13. TOTAL OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
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 (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Current Discount (3.65%)	1% Increase (4.65%)
Total OPEB Liability	$108,353,716	$ 93,220,757	$ 80,983,893

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
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 or 1 percentage point higher than the current healthcare cost trend rate:

	Healthcare Cost Trend Rate		
	1% Decrease (4.1 - 3.1%)	Current (5.1 - 4.1%)	1% Increase (6.1 - 5.1%)
Total OPEB Liability	$ 77,877,647	$ 93,220,757	$ 113,029,165

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2023, the School District recognized OPEB expense of $6,162,812. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 544,664	$ 6,088,585
Changes of assumptions	13,919,893	7,545,770
Total	$ 14,464,557	$ 13,634,355

13. TOTAL OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Fiscal Year Ending June	Amount
2024	$ (72,315)
2025	737,060
2026	823,680
2027	126,389
2028	(1,022,593)
Thereafter	237,981
	$ 830,202

14. RISK MANAGEMENT

General Information
The School District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

New York Insurance Reciprocal
The School District is a member of the New York Schools Insurance Reciprocal (NYSIR) which is licensed to provide both property and liability coverage for New York School Districts. The Plan's objectives are to stabilize coverage and premiums for its School District subscribers. NYSIR provides general liability, auto liability, all-risk building and contents and auto physical damage coverage, and also issues its own umbrella policy. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

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

Litigation
Tax certiorari proceedings are commenced annually following the promulgation of assessment rolls by the Towns of Orangetown and Clarkstown, which are municipalities within which the School District is located. The towns of Orangetown and Clarkstown are responsible for the establishment of annual assessments for real property within their respective borders and are likewise obligated to defend against legal challenges to these assessments. Although this obligation is placed upon these municipalities, the School District has a direct stake in tax certiorari proceedings because school taxes are premised on real property assessments and a reduction in a past assessment may necessitate the payment of a tax refund by the School District. The School District has established a tax certiorari reserve to cover a portion of the potential refund exposure and the School District has legal authority to borrow funds to repay school taxes when needed.

14. RISK MANAGEMENT (Continued)

At present, although there are active cases in which the School District's attorney is involved on the School District's behalf, there are no pending proceedings in which such analyses have been provided. For this reason, the School District's attorney cannot provide an accurate evaluation of the refund liability associated with pending tax certiorari litigation. However, in light of prior years' tax certiorari activity, pending tax certiorari claims could produce, in the aggregate, refund liabilities in excess of $25,000 to $55,000 through the current 2023-2024 school tax year.

The District is a defendant in lawsuits arising in the normal course of business. The claims seek monetary damages. To the extent the outcome of such litigation has been determined to result in probable loss to the District, such loss has been accrued in the accompanying financial statements. Approximately $400,000 has been accrued as of June 30, 2023 for this purpose.

Pool, Risk Retained
The School District participates in a risk sharing pool, the Rockland County Workers' Compensation Plan, in order to insure workers' compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Plan Actuary projects that there are sufficient assets in the Workers' Compensation Pool to offset any potential liability.

For its employee health and accident insurance coverage, the School District is a participant in the New York State Employees Health Insurance Plan, a public entity risk pool operated for the benefit of New York State public School Districts. The Plan is considered a self-sustaining risk pool, to which the School District has essentially transferred all related risk.

15. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The School District has 4 real property tax abatement agreement that are entered into by the County of Rockland. These agreements provide for abatement of real property taxes in exchange for payment in lieu of taxes (PILOT) in accordance with the Tax Exemption Policy.

The following are the PILOT agreements by purpose and the amount of real property tax that has been abated for the year ended June 30, 2023:

Agreement With	Owner/Property	Purpose	Assessed Taxable Value	Tax Rate	Tax Value	PILOT Received	Amount of Tax Abated	Percent of Tax Abated
Clarkstown	Nyack Housing Assistance Corporation	Low income residential housing	$ 1,264,200	97.324437	$ 123,038	$ 14,816	$ 108,222	88.0%
Clarkstown	163 Route 303 LLC	Rockland Industrial Development	439,000	97.324437	42,725	42,725	-	0.0%
Orangetown	263 Main Street Housing - Nyack Point Apartments	Low income residential housing	2,608,000	70.505449	183,878	7,425	176,453	96.0%
Orangetown	Tappan Zee Vista	Culinary Educational Institute Reno	1,562,500	70.505449	110,165	76,781	33,384	30.3%
		Total			$ 459,806	$ 141,747	$ 318,059	

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

REVENUE	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
LOCAL SOURCES:					
Real property taxes	$ 74,812,610	$ 70,146,414	$ 70,130,502	$ -	$ (15,912)
Other tax items	148,680	4,814,876	4,807,943	-	(6,933)
Charges for services	202,500	202,500	180,232	-	(22,268)
Use of money and property	1,233,542	1,233,542	2,831,503	-	1,597,961
Sale of property and compensation for loss	16,000	16,000	14,668	-	(1,332)
Miscellaneous	400,500	400,500	531,344	-	130,844
Total local sources	76,813,832	76,813,832	78,496,192	-	1,682,360
State sources	15,424,668	15,424,667	15,793,100	-	368,433
Federal sources	75,000	-	-	-	-
Medicaid reimbursement	-	75,000	83,004	-	8,004
Total revenue	92,313,500	92,313,499	94,372,296	-	2,058,797

(Continued)

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED) (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	$ 66,250	$ 70,178	$ 46,331	$ 4,350	$ 19,497
Central administration	361,000	414,528	381,591	1,010	31,927
Finance	827,999	921,728	901,341	2,400	17,987
Staff	541,520	700,838	601,638	6,126	93,074
Central services	5,216,531	7,022,049	5,503,152	926,851	592,046
Special items	1,036,127	1,347,810	1,235,766	27,989	84,055
Total general support	8,049,427	10,477,131	8,669,819	968,726	838,586
INSTRUCTION:					
Instruction, administration, and improvement	5,857,516	5,760,224	4,728,273	7,039	1,024,912
Teaching - Regular school	29,624,390	28,692,284	27,652,744	217,147	822,393
Programs for children with handicapping conditions	14,171,786	14,989,684	12,792,225	380,287	1,817,172
Occupational education	370,000	454,767	327,062	-	127,705
Teaching - Special school	1,034,932	1,031,821	670,832	-	360,989
Instructional media	2,683,732	4,520,414	3,862,718	370,653	287,043
Pupil services	4,152,992	4,379,918	3,434,405	89,976	855,537
Total instruction	57,895,348	59,829,112	53,468,259	1,065,102	5,295,751
Pupil transportation	5,083,746	4,905,012	4,720,408	12,330	172,274
Employee benefits	19,833,128	19,327,220	17,660,726	80,121	1,586,373
Debt service - principal	1,313,105	1,313,105	1,347,999	-	(34,894)
Debt service - Interest	537,246	537,246	537,952	-	(706)
Total expenditures	92,712,000	96,388,826	86,405,163	2,126,279	7,857,384
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of leases	-	-	15,904	-	15,904
Transfers from other funds	500	750,500	1,927,280	-	1,176,780
Transfers to other funds	(7,447,000)	(11,547,000)	(9,771,998)	-	1,775,002
Total expenditures and other financing sources/uses	100,158,500	107,185,326	94,233,977	2,126,279	10,825,070
NET CHANGE IN FUND BALANCE	(7,845,000)	(14,871,827)	138,319	(2,126,279)	12,883,867
FUND BALANCE - beginning of year	36,418,600	36,418,600	36,418,600	-	-
FUND BALANCE - end of year	$ 28,573,600	$ 21,546,773	$ 36,556,919	$ (2,126,279)	$ 12,883,867

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.008885%	0.009189%	0.008837%	0.009508%	0.009490%	0.009741%	0.009816%	0.009794%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.	
Proportionate share of the net pension liability (asset)	$ 1,905	$ (751)	$ 9	$ 2,518	$ 672	$ 314	$ 922	$ 1,572		
Covered-employee payroll	$ 3,703	$ 3,663	$ 3,717	$ 3,722	$ 3,705	$ 3,557	$ 3,474	$ 3,516		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	51.44%	-20.50%	0.24%	67.65%	18.14%	8.84%	26.55%	44.71%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	103.65%	90.78%	86.39%	96.27%	98.24%	94.70%	90.70%		

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.218308%	0.218721%	0.215262%	0.213219%	0.215189%	0.213970%	0.210888%	0.210225%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.	
Proportionate share of the net pension liability (asset)	$ 4,189	$ (37,902)	$ 5,948	$ (5,539)	$ (3,891)	$ (1,626)	$ 2,259	$ (21,286)		
Covered-employee payroll	$ 41,255	$ 38,674	$ 37,124	$ 36,537	$ 35,590	$ 35,307	$ 34,107	$ 33,274		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.15%	-98.00%	16.02%	-15.16%	-10.93%	-4.61%	6.62%	-63.97%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.60%	113.25%	98.57%	102.17%	101.53%	100.66%	99.01%	110.46%		

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 425	$ 581	$ 596	$ 542	$ 539	$ 501	$ 538	$ 624	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.	
Contributions in relation to the contractually required contribution	425	581	596	542	539	501	538	624		
Contribution deficiency (excess)	-	-	-	-	-	-	-	-		
Covered-employee payroll	$ 3,703	$ 3,663	$ 3,717	$ 3,722	$ 3,705	$ 3,557	$ 3,474	$ 3,516		
Contributions as a percentage of covered-employee payroll	11.48%	15.86%	16.03%	14.56%	14.54%	14.09%	15.49%	17.75%		

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 4,043	$ 3,790	$ 3,538	$ 3,237	$ 3,780	$ 3,460	$ 4,269	$ 4,615	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.	
Contributions in relation to the contractually required contribution	4,043	3,790	3,538	3,237	3,780	3,460	4,269	4,615		
Contribution deficiency (excess)	-	-	-	-	-	-	-	-		
Covered-employee payroll	$ 41,255	$ 38,674	$ 38,674	$ 37,124	$ 36,537	$ 35,590	$ 35,307	$ 34,107		
Contributions as a percentage of covered-employee payroll	9.80%	9.80%	9.15%	8.72%	10.34%	9.72%	12.09%	13.53%		

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30:

	Last 10 Fiscal Years									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability										
Service cost	$ 3,314,847	$ 3,974,076	$ 4,142,327	$ 2,878,619	$ 3,138,998	$ 3,047,571				
Interest	2,920,280	2,095,239	2,048,403	2,626,020	2,329,926	2,236,769				
Changes of benefit terms	-	-	-	-	-	-				
Effects of demographic gains or losses	-	(8,386,163)	-	1,120,501	-	73,467				
Changes in assumptions	9,124,762	(9,020,674)	721,232	12,128,127	(5,526,129)	-				
Benefit payments	(2,613,417)	(2,418,913)	(2,440,324)	(2,269,858)	(2,367,218)	(2,321,043)				
Total change in total OPEB liability	12,746,472	(13,756,435)	4,471,638	16,483,409	(2,424,423)	3,036,764				
Total OPEB liability - beginning	80,474,285	94,230,720	89,759,082	73,275,673	75,700,096	72,663,332				
Total OPEB liability - ending	$ 93,220,757	$ 80,474,285	$ 94,230,720	$ 89,759,082	$ 73,275,673	$ 75,700,096				
Covered-employee payroll	$ 39,295,189	$ 39,295,189	$ 37,358,534	$ 37,358,534	$ 38,755,453	$ 38,755,453				
Total OPEB liability as a percentage of covered-employee payroll	237.2%	204.8%	252.2%	240.3%	189.1%	195.3%				

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

SUPPLEMENTARY INFORMATION

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	School Lunch Fund	Debt Service Fund	Miscellaneous Special Revenue Fund	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	$ 114,791	$ -	$ -	$ 114,791
Cash and cash equivalents - restricted	-	-	117,672	117,672
Investments - unrestricted	720,492	-	-	720,492
Investments - restricted	-	3,050,143	54,676	3,104,819
Accounts receivable	8,344	-	180	8,524
Due from other funds	247,294	387,849	37,343	672,486
State and federal aid receivable	52,665	-	-	52,665
Inventory	22,817	-	-	22,817
TOTAL ASSETS	$ 1,166,403	$ 3,437,992	$ 209,871	$ 4,814,266
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	$ 140,002	$ -	$ 2,109	$ 142,111
Unearned revenue	18,664	-	-	18,664
Due to other governments	52	-	-	52
TOTAL LIABILITIES	158,718	-	2,109	160,827
FUND BALANCE:				
Nonspendable:				
Inventory	22,817	-	-	22,817
Total nonspendable fund balance	22,817	-	-	22,817
Restricted:				
Other	-	-	207,762	207,762
Debt service	-	3,437,992	-	3,437,992
Total restricted fund balance	-	3,437,992	207,762	3,645,754
Assigned:				
Unappropriated	984,868	-	-	984,868
Total assigned fund balance	984,868	-	-	984,868
TOTAL FUND BALANCE	1,007,685	3,437,992	207,762	4,653,439
TOTAL LIABILITIES AND FUND BALANCE	$ 1,166,403	$ 3,437,992	$ 209,871	$ 4,814,266

The accompanying notes are an integral part of these statements.

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	School Lunch	Debt Service	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
REVENUE:				
Use of money and property	$ 24,870	$ 487,925	$ 2,117	$ 514,912
Miscellaneous	14,347	-	129,043	143,390
State sources	18,143	-	-	18,143
Federal sources	768,839	-	-	768,839
Sales - School lunch	370,327	-	-	370,327
Total revenue	1,196,526	487,925	131,160	1,815,611
EXPENDITURES:				
Instruction	-	-	126,564	126,564
Cost of sales	1,478,428	-	-	1,478,428
Total expenditures	1,478,428	-	126,564	1,604,992
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(281,902)	487,925	4,596	210,619
FUND BALANCE - beginning of year	1,289,587	2,950,067	203,166	4,442,820
FUND BALANCE - end of year	$ 1,007,685	$ 3,437,992	$ 207,762	$ 4,653,439

The accompanying notes are an integral part of these statements.

OTHER INFORMATION (UNAUDITED)

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION - GENERAL FUND (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	$ 100,159,000
Add: Prior year's encumbrances	2,856,558
Original budget	103,015,558
Budget revisions	4,920,268
Final budget	$ 107,935,826

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-24 voter-approved expenditure budget	$ 104,364,414	
Maximum allowed (4% of 2023-24 budget)		$ 4,174,577
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance	5,522,279	
Unassigned fund balance	4,174,576	
	$ 9,696,855	
Less:		
Appropriated fund balance	3,396,000	
Encumbrances included in assigned fund balance	2,126,279	
Total adjustments	$ 5,522,279	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 4,174,576
Actual percentage		4.00%

* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

			Expenditures				Methods of Financing					
PROJECT TITLE	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Interfund Transfers	State Aid	Miscellaneous	Total	Fund Balance June 30, 2023
Library & Technology Labs:												
Valley Cottage Library	$ 296,386	$ 540,568	$ 451,247	$ 25,037	$ 476,284	$ 64,284	$ -	$ 788,881	$ -	$ -	$ 788,881	$ 312,597
Liberty Elementary Library	395,257	1,306,215	936,263	51,128	987,391	318,824	-	926,869	-	-	926,869	(60,522)
Upper Nyack Library	395,257	521,844	407,763	78,415	486,178	35,666	-	788,878	-	-	788,878	302,700
Nyack MS Library	1,829,400	2,228,483	1,886,258	-	1,886,258	342,225	-	1,988,467	-	-	1,988,467	102,209
Nyack HS Library	2,083,700	2,210,890	2,185,740	-	2,185,740	25,150	-	2,314,908	-	175	2,315,083	129,343
HS Generator	125,000	125,000	125,000	-	125,000	-	-	125,000	-	-	125,000	-
SSBA Smart Schools Bond Act	928,987	927,647	791,231	-	791,231	136,416	-	-	791,231	-	791,231	-
EPC Projects:												
Nyack High School EPC	878,433	878,433	795,936	82,497	878,433	-	878,433	-	-	-	878,433	-
Nyack Middle School EPC	551,160	551,160	499,538	51,622	551,160	-	551,160	-	-	-	551,160	-
Liberty Elementary School EPC	374,861	374,861	125,600	249,261	374,861	-	374,861	-	-	-	374,861	-
Upper Nyack Elementary School EPC	504,867	504,867	455,440	49,427	504,867	-	504,867	-	-	-	504,867	-
Valley Cottage Elementary School EPC	560,089	560,089	508,408	51,681	560,089	-	560,089	-	-	-	560,089	-
Hilltop Admin EPC	54,132	54,132	59,025	(4,893)	54,132	-	54,132	-	-	-	54,132	-
Herald Field House	23,990	23,990	15,191	8,799	23,990	-	23,990	-	-	-	23,990	-
Maint Garage/Field House	7,903	7,903	7,507	396	7,903	-	7,903	-	-	-	7,903	-
Bond Proposition - 10/23/13:												
Hilltop/Admin Fire Alarm #5007	237,079	729,429	670,315	24,832	695,147	34,282	174,429	555,000	-	-	729,429	34,282
Upper Nyack Elem #0007-015	1,675,846	1,499,961	1,450,717	-	1,450,717	49,244	938,780	511,937	-	-	1,450,717	-
Nyack High School Boilers #0021-009	948,315	1,919,389	1,681,316	43,672	1,724,988	194,401	99,244	2,383,534	-	-	2,482,778	757,790
MS Site & Servery Improvements	1,100,000	1,100,000	718,980	320,876	1,039,856	60,144	-	1,100,000	-	-	1,100,000	60,144
HS Site Improvements	200,000	200,000	55,709	9,411	65,120	134,880	-	200,000	-	-	200,000	134,880
HS Site Improvements - New Project - Capital Reserve $2MM	2,000,000	2,000,000	17,930	128,300	146,230	1,853,770	-	2,000,000	-	-	2,000,000	1,853,770
Hilltop Admin Renovations	970,000	1,645,000	-	652,210	652,210	992,790	-	1,645,000	-	-	1,645,000	992,790
Liberty AC Project	850,000	850,000	-	-	-	850,000	-	850,000	-	-	850,000	850,000
Upper Nyack AC Project	850,000	850,000	-	-	-	850,000	-	850,000	-	-	850,000	850,000
Valley Cottage AC Project	850,000	850,000	-	-	-	850,000	-	850,000	-	-	850,000	850,000
MS & DW AC Project	850,000	850,000	-	-	-	850,000	-	850,000	-	-	850,000	850,000
MS & DO SITE AND DO IT BUILDING	7,250,000	5,500,000	-	178,133	178,133	5,321,867	-	5,500,000	-	-	5,500,000	5,321,867
HS Emergency AC Project	100,000	100,000	-	57,255	57,255	42,745	-	100,000	-	-	100,000	42,745
Total	$ 26,890,662	$ 28,909,861	$ 13,845,114	$ 2,058,059	$ 15,903,173	$ 13,006,688	$ 4,167,888	$ 24,328,474	$ 791,231	$ 175	$ 29,287,768	$ 13,384,595

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

Capital assets, nondepreciable		$ 16,752,399
Capital assets, net of depreciation and amortization		52,211,183
Deduct:		
Premium on bonds payable	1,421,433	
Short-term portion of installment debt payable	202,244	
Long-term portion of installment debt payable	2,145,104	
Short-term portion of bonds payable	1,170,000	
Long-term portion of bonds payable	9,735,000	
Short-term portion of lease liabilities	7,404	
Long-term portion of lease liabilities	14,561	
Capital projects accounts payable	609,121	15,304,867
Net investment in capital assets		$ 53,658,715

REQUIRED REPORTS UNDER UNIFORM GUIDANCE

Bonadio & Co., LLP
Certified Public Accountants

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

October 10, 2023

To the Board of Education of
Nyack Union Free School District:

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 Nyack Union Free School District (School District), as of and for the year ended June 30, 2023, 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 10, 2023.

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 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.

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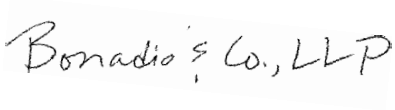
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

October 10, 2023

To the Board of Education of
Nyack Union Free School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the Nyack Union Free School District's (the School District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal programs.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE (CONTINUED)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District 's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE (CONTINUED)

Report on Internal Control over Compliance

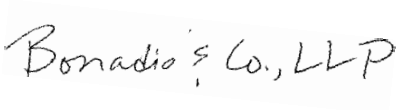
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing	Pass Through Grant Number	Expenditures
U.S. Department of Agriculture			
Child Nutrition Cluster			
National School Lunch Program (Noncash food donations)	10.555	N/A	$ 40,296
Passed through New York State Department of Education			
National School Lunch Program	10.555	N/A	599,907
Subtotal AL #10.555			640,203
School Breakfast Program	10.553	N/A	128,636
Total Child Nutrition Cluster			768,839
Total U.S. Department of Agriculture			768,839
U.S. Department of Education			
Passed through New York State Department of Education			
Special Education Cluster (IDEA)			
Special Education Grants to States	84.027	0032-23-0772	730,115
COVID-19 - Special Education Grants to States	84.027X	5532-22-0772	160,812
Special Education Preschool Grants	84.173	0033-23-0772	37,680
COVID-19 - Special Education Preschool Grants	84.173X	5533-22-0772	17,903
Total Special Education Cluster (IDEA)			946,510
Title I Grants to Local Educational Agencies	84.010	0016-23-2555	227,320
Title I Grants to Local Educational Agencies	84.010	0021-22-2555	2,600
Title I Grants to Local Educational Agencies	84.010	0021-23-2555	505,699
Subtotal AL #84.010			735,619
English Language Acquisition State Grants	84.365	0293-22-2555	32,903
English Language Acquisition State Grants	84.365	0293-23-2555	92
Subtotal AL #84.365			32,995
Supporting Effective Instruction State Grants	84.367	0147-23-2555	87,528
Student Support and Academic Enrichment Program	84.424	0204-22-2555	43,503
COVID-19 - Education Stabilization Fund (ESF): Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5891-21-2555	1,261,115
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-2555	1,835,309
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5870-23-9216	70,731
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief – Homeless Children and Youth	84.425W	5218-21-2555	3,887
Total COVID-19 Education Stabilization Fund			3,171,042
Total U.S. Department of Education			5,017,197
Total expenditures of federal awards			$ 5,786,036

The accompanying notes to the schedule of federal awards are an integral part of the schedule.

NYACK UNION FREE SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the Nyack Union Free School District (School District), under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows for the School District.

2. BASIS OF ACCOUNTING

The Schedule is presented using generally accepted accounting principles, as described in the School District's basic financial statements.

3. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the financial reports used as the source for the expenditures presented.

The School District did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. MATCHING COSTS

Matching costs, i.e., the School District's share of certain program costs, are not included in the reported expenditures.

5. SUBRECIPIENTS

No amounts were provided to subrecipients.

6. NONMONETARY ASSISTANCE

The School District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a non-monetary program. During the year ended June 30, 2023, the School District received food commodities, the fair value of which amounted to $40,296 is presented in the Schedule as National School Lunch Program (Assistance Listing No. 10.555).

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section I—Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes _X_ No

Significant deficiency(ies) identified? ___ Yes _X_ None reported

Noncompliance material to financial statements noted? ___ Yes _X_ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes _X_ No

Significant deficiency(ies) identified _X_ Yes ___ None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? _X_ Yes ___ No

Identification of major federal programs:

AL Number(s)	Name of Federal Program or Cluster
84.425D	COVID-19 - Education Stabilization Fund (ESF): Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425U	COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)
84.425W	COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief – Homeless Children and Youth
	Special Education Cluster (IDEA)
84.027	Special Education Grants to States
84.027X	COVID-19 - Special Education Grants to States
84.173	Special Education Preschool Grants
84.173X	COVID-19 - Special Education Preschool Grants

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? _X_ Yes ___ No

NYACK UNION FREE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section II—Financial Statement Findings

None.

Section III—Federal Award Findings and Questioned Costs

Finding 2023-001 – Special Education Cluster (IDEA) AL# 84.027, 84.173;
Federal Agency – U.S. Department of Education;
Pass-through Agency – New York State Department of Education;
Grant period – July 1, 2022 – June 30, 2023

Condition: The School District did not have a control in place to ensure that there was adequate documentation, in accordance with 2 CFR section 200.430, of the distribution of an employee's salary among specific activities when an employee worked on both a Federal award and a non-Federal award. Certification of Federal Award forms were prepared, but they did not indicate the full-time equivalent (FTE) time to be allocated to the grant and they were not reviewed.

Criteria: The Department of Education Cross-Cutting Section of the 2023 Compliance Supplement indicates, "if a school operating a schoolwide program does not consolidate Federal funds with State and local funds in a consolidated schoolwide pool, an employee who works, in whole or in part, on a Federal program or cost objective must document time and effort as follows:

(a) For an employee who works solely on a single cost objective (e.g., a single Federal program whose funds have not been consolidated or Federal programs whose funds have been consolidated but not with State and local funds), an LEA is not required to maintain records reflecting the distribution of the employee's salary and wages, including among the Federal programs included in the consolidation, if applicable.

(b) For an employee who works on multiple activities or cost objectives (e.g., in part on a Federal program whose funds have not been consolidated in a consolidated schoolwide pool and in part on Federal programs supported with funds consolidated in a schoolwide pool or on activities that are not part of the same cost objective), an LEA must maintain time and effort distribution records in accordance with 2 CFR section 200.430(i)(1)(vii) that support the portion of time and effort dedicated to:

    i. The Federal program or cost objective; and

    ii. Each other program or cost objective supported by consolidated Federal funds or other revenue sources.

Cause: There was turnover in the Chief Executive Director of HR & Grants Management position, and as such, there was no position clearly tasked with the responsibility of reviewing the Certification of Federal Award forms during the year.

Effect: The School District could have claimed grant reimbursement for an employee when the employee may not have actually worked hours related to, or allowable under, that program.

Context: The School District indicated that the Certification of Federal Award forms were not reviewed for any of the employees charged to the grants under the Special Education Cluster.

Auditor's Recommendation: The School District should implement a process in which employee's time is documented on the Certification of Federal Award forms and the forms are reviewed by an individual with sufficient knowledge about the employee's duties and the Federal program in order to ensure the costs are allowable and adequately documented.

View of Responsible Officials and Planned Corrective Actions: The Assistant Superintendent of Curriculum & Instruction will work with the Business office and the Human Resources department to ensure that the Certification of Federal Awards forms accurately reflect the employee's time charged to the grant. The forms will be reviewed to ensure the costs are allowable and properly documented.

Section IV – Summary Schedule of Prior Year Audit Findings

None.