EAST RAMAPO CENTRAL SCHOOL DISTRICT

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

June 30, 2026

EAST RAMAPO CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Education
East Ramapo Central 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 East Ramapo Central School District (the District), as of and for the year ended June 30, 2026, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information on pages 55 through 61 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 20, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 20, 2026

OVERVIEW OF THE FINANCIAL STATEMENTS

The following is a discussion and analysis of the East Ramapo Central School District's (the District) financial performance for the year ended June 30, 2026. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund 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 District's financial statements, which immediately follow this section.

Basic Financial Statements

This annual report consists of four parts: management's discussion and analysis (MD&A) (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are District-Wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the operations in more detail than the District-Wide financial statements. The Fund financial statements tell how basic services such as instruction and support functions were financed in the short-term as well as what remains for future spending.

The notes to financial statements provide additional information about the basic financial statements and the balances reported. The basic financial statements are followed by a section of supplementary information.

District-Wide Financial Statements

The District-Wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 District-Wide financial statements report the District's net position and how it has changed. Net position, the difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases and decreases in net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

District-Wide financial statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position. Net position of the governmental activities differ from the governmental fund balances because:

- Capitalize current outlays for capital assets;
- Depreciate capital assets and allocate the depreciation to the proper program/activities;
- Report long-term financing activities as liabilities;
- Report other long-term items, including payroll items, as liabilities;
- Calculate revenue and expenses using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
  - Net investment in capital assets is the District's capital assets net of accumulated depreciation and any liabilities that the District has to finance its capital assets;
  - Restricted net position is those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation; and
  - 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 District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York (the State).

Governmental Funds

Governmental fund statements include the Balance Sheet and the Statement of Revenue, Expenditures and Changes in Fund Balances. Most basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to spendable resources and (2) the balances left at year-end that are available for spending under the modified accrual basis of accounting. Consequently, the Governmental Fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources available in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide financial statements, additional information in a separate reconciliation schedules that explain the relationship (or differences) between them.

Fiduciary Fund

The fiduciary fund financial statement include the Statement of Changes in Fiduciary Net Position. The District collects and remits taxes to the local library. The District excludes these activities from the District-Wide financial statements because it cannot use these to finance its operations. The Fiduciary Fund accounts for its activities using the same basis of accounting as the District-Wide financial statements.

FINANCIAL SUMMARY

Net Position

A summary of the Statements of Net Position as of June 30, 2026 and 2025 are as follows:

	2026	2025	Change
Assets:			
Other assets	$ 183,729,912	157,936,214	25,793,698
Capital assets	158,125,150	154,932,161	3,192,989
Total assets	341,855,062	312,868,375	28,986,687
Deferred outflows of resources	107,273,041	71,619,281	35,653,760
Liabilities:			
Other liabilities	43,565,908	42,677,121	888,787
Long-term liabilities	513,306,805	445,985,852	67,320,953
Total liabilities	556,872,713	488,662,973	68,209,740
Deferred inflows of resources	101,031,228	110,630,176	(9,598,948)
Net position (deficit):			
Net investment in capital assets	116,826,308	114,920,262	1,906,046
Restricted	64,345,890	42,436,342	21,909,548
Unrestricted (deficit)	(389,948,036)	(372,162,097)	(17,785,939)
Total net position (deficit)	$ (208,775,838)	(214,805,493)	6,029,655

Changes in Net Position

A summary of these Statements of Activities for the years ended June 30, 2026 and 2025 are as follows:

	2026	2025	Change
Revenue:			
Program revenue:			
Charges for services	$ 790,209	456,620	333,589
Operating grants and contributions	87,123,858	124,227,216	(37,103,358)
Capital grants and contributions	-	583,766	(583,766)
General revenue:			
Property and other taxes	160,627,457	163,328,798	(2,701,341)
State aid	180,153,516	153,602,831	26,550,685
Other	4,391,652	8,742,801	(4,351,149)
Total revenue	433,086,692	450,942,032	(17,855,340)

	2026	2025	Change
Expenses:			
General support	$ 44,342,675	35,179,029	9,163,646
Instruction	289,667,098	295,167,038	(5,499,940)
Pupil transportation	83,643,776	65,718,792	17,924,984
Community services	535,273	508,170	27,103
Food service program	7,113,579	6,798,977	314,602
Debt service - interest	1,754,636	1,877,329	(122,693)
Total expenses	427,057,037	405,249,335	21,807,702
Change in net position	6,029,655	45,692,697	(39,663,042)
Net position (deficit) at beginning of year	(214,805,493)	(260,498,190)	45,692,697
Net position (deficit) at end of year	$ (208,775,838)	(214,805,493)	6,029,655

DETAILED ANALYSES

District-Wide Financial Analysis

Other assets increased by $25,793,698 in 2026. Major contributors to the increase include:

- The net pension asset for the New York State Teachers' Retirement System (NYSTRS) increased by $20,750,656 as a result of the actuarial valuation provided by the System.
- State and Federal aid receivables increased by $13,774,487 as unreceived State aid in the general fund increased by $6,373,144 and grant reimbursements due in the special aid fund increased by $9,161,057 from the prior year.
- Restricted cash and equivalents increased $14,452,655 primarily due to proceeds received from an energy performance contract.
- Offsetting these increases, unrestricted cash and equivalents decreased by $21,523,043 as the general fund drew on fund balance and transferred $5,549,237 to the capital projects fund.

Other liabilities increased by $888,787 in 2026. Major contributors to the increase include:

- Accounts payable increased by $5,352,483, primarily in the general fund, where year-end payables were $17,768,525 compared with $10,156,155 in the prior year.
- Offsetting these increases, due to other governments decreased by $4,255,766 and due to teachers' retirement system increased by $487,632.

Changes to capital assets and long-term liabilities are discussed in the Significant Capital Assets and Long-Term Financing Activities section below. Also included in long-term liabilities are the District's proportionate share of the State pension plans (pensions) and the total other postemployment benefits (OPEB) liability. The pensions and OPEB vary from the prior year due to changes in assumptions and differences in expected and actual experience. Traditionally, these liabilities are rarely consistent from year to year.

The changes in deferred outflows of resources and deferred inflows of resources are primarily related to the pensions and OPEB. Amortization of pensions and OPEB related items, contributions subsequent to the measurement dates, and changes in actuarial assumptions have resulted in variances from the prior year.

Changes to net position, including all three components, are discussed below in the analysis of the revenue and expenses below.

For the District's year ended June 30, 2026 revenue totaled $433,086,692 which is a decrease from the prior year by $17,855,340. The most significant changes in revenue include:

- Operating grants and contributions decreased $37,103,358. Federal grant revenue in the special aid fund decreased by $38,883,515 as the District's COVID-related grants under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and the American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief program were fully expended during 2025-2026; no balance of those allocations remains.
- Property and other taxes decreased $2,701,341. The real property tax levy for 2025-2026 was unchanged from the prior year at $162,801,802, a 0% increase approved by the voters on May 20, 2025. The decrease reflects the timing of tax collections recognized on the accrual basis and a decrease of $821,724 in other tax items - including STAR reimbursement.
- State aid increased by $26,550,685 or 17.3%. The State's 2025-2026 enacted budget increased school aid by $1.7 billion, or 4.9%, to $37.6 billion. The District's increase was primarily in basic formula aid ($24,269,669), mobile sports wagering ($1,576,676) and BOCES aid ($1,055,101), offset by a decrease in tuition aid ($851,298).
- Other revenue decreased $4,351,149. Use of money and property decreased by $1,947,690 with lower interest rates and lower cash balances, and miscellaneous revenue decreased by $2,439,513 due to the prior year including larger refunds of prior years' expenditures.

For the District's year ended June 30, 2026 expenses totaled $427,057,037 which is an increase from the prior year by $21,807,702. The most significant changes in expenses include:

- General support increased $9,163,646. General fund central services expenditures increased by $9,766,907 from the prior year, and general fund general support expenditures of $38,614,405 exceeded the adopted appropriation of $33,373,885 by $5,240,520. The increase reflects higher spending on operations and maintenance of plant, security and business support services.
- Instruction decreased $5,499,940. General fund instruction expenditures decreased by $3,772,575, including a decrease of $5,658,393 in programs for students with disabilities, and the pension and OPEB expense allocated to instruction decreased as described below.
- Pupil transportation increased $17,924,984. General fund pupil transportation expenditures increased by $16,480,444 to $81,035,410, which exceeded the adopted appropriation of $67,650,148 by $13,385,262; the appropriation was increased to $77,531,348 during the year. The increase was driven primarily by growth in the number of nonpublic school students transported and by transportation contracts that were rebid during the year at higher rates.

- Pension and OPEB resulted in an expense of $563,917 and $24,966,458, respectively, totaling $25,530,375 in 2026. In 2025 this amount totaled $30,094,414. This represents a decrease of $4,564,039 which has been allocated to several expense groupings. The 2026 pension amount is the net of NYSERS pension expense of $2,936,118 and NYSTRS pension income of $2,372,201. These amounts change significantly each year due to market conditions and actuarial assumptions.

Fund Financial Analysis

Governmental Funds Financial Analysis

Fund balance of the general fund decreased $6,017,269 for the year ended June 30, 2026 to a total fund balance of $68,826,983. Revenue increased $21,247,743, driven by State aid, which increased $26,550,685, while real property taxes of $156,762,479 were essentially unchanged with no increase in the tax levy. Expenditures increased $25,774,799 driven by pupil transportation ($16,480,444) and general support ($9,593,391). The general fund transferred $5,549,237 to the capital projects fund and $250,000 to the special aid fund. As of June 30, 2026, the general fund has $25,079,215 and $22,142,960 reported as restricted and assigned fund balance, respectively; the assigned amount includes $11,862,563 appropriated for the 2026-2027 budget and $10,280,397 of encumbrances. Unassigned fund balance was $21,604,808.

Fund balance of the capital projects fund increased $11,520,881 for the year ended June 30, 2026 to a total fund balance of $22,588,507. The fund had $6,906,992 of capital outlay expenditures, funded by a $5,549,237 transfer from the general fund, $778,507 of State sources, and $12,100,129 of long-term financing. Expenditures included the 2025-2026 general construction program, consisting of heating and ventilating work ($2,530,112), the ARPA paving project ($1,651,000), the Ramapo High School auditorium project, comprising general construction, electrical work and seating ($2,024,024), and the Kakiat steam-to-hot-water conversion ($439,217). The entire fund balance for the capital projects fund is held for future years' capital projects.

The special aid fund did not have any fund balance as of June 30, 2026. This fund never has an operating gain or loss as it primarily operates to oversee specific State, Federal, and local grants. Revenue is recognized as allowable expenditures are incurred. Total revenue decreased $36,671,873 to $77,861,432 as the COVID-related grants, which in the prior year also funded $40,284,518 of transfers to the capital projects fund, have been fully utilized. Expenditures increased $2,213,630 to $78,111,432; the general fund transferred $250,000 to the fund for the summer handicapped and 4201 school programs required by statute.

Fund balance of the school food service fund increased $933,343 for the year ended June 30, 2026 to a total fund balance of $6,354,550. Revenue of $9,293,360 exceeded expenditures of $8,360,017; Federal reimbursements were $8,564,279 and surplus food received was valued at $480,235. As of June 30, 2026, the school lunch fund reported $47,158 nonspendable fund balance. This represents inventory and this fund balance cannot be spent as it is already earmarked for inventoriable expenditures.

Fund balance of the special revenue fund increased $43,149 for the year ended June 30, 2026 to a total fund balance of $580,898, as extraclassroom activity and scholarship receipts of $443,884 exceeded expenditures of $400,735. The entire fund balance is restricted for scholarships ($318,950) and extraclassroom and other student activities ($261,948).

Fund balance of the debt service fund increased $23,576 for the year ended June 30, 2026 to a total fund balance of $648,293, representing interest earned during the year. The entire fund balance is restricted for future debt service.

Custodial Fund

The custodial fund did not have any net position as of June 30, 2026. This fund collects and remits taxes to the local library. All $9,408,346 of library taxes collected during the year were remitted prior to year-end.

SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY

Capital Assets

The District paid for equipment, and various building additions and renovations during the 2026 fiscal year. A summary of the District's capital assets are as follows:

	2026	2025	Change
Land	$ 7,764,601	7,764,601	-
Construction in progress	104,566,238	106,669,200	(2,102,962)
Buildings and building improvements	136,157,086	128,374,879	7,782,207
Furniture and equipment	9,638,703	8,598,331	1,040,372
Accumulated depreciation	(100,001,478)	(96,474,850)	(3,526,628)
Total	$ 158,125,150	154,932,161	3,192,989

Significant capital asset activity included:

- Building and improvement additions of $7,782,207, including $4,365,291 of construction in progress placed in service, consisting of the Ramapo High School auditorium project and heating, ventilation and air-conditioning improvements under the 2025-2026 general construction program.
- Construction in progress additions of $2,262,329 principally the Ramapo High School auditorium project, the Kakiat steam-to-hot-water conversion and related architectural and engineering fees.
- Furniture and equipment additions of $1,040,372.
- There were no disposals of capital assets during the year.
- Depreciation expense for the year was $3,526,628.

Long-Term Financing Activity

At June 30, 2026, the District had total long-term financing payable of $53,285,284. A summary of outstanding long-term financing as of June 30, 2026 and 2025 is as follows:

	2026	2025	Change
Bonds payable, net	$ 41,185,155	43,773,471	(2,588,316)
Energy performance contract payable	12,100,129	-	12,100,129
Total	$ 53,285,284	43,773,471	9,511,813

Significant long-term financing activity included:

- Entered into an energy performance contract on March 9, 2026, financed through a lease purchase agreement of $12,100,129 at an interest rate of 4.87%, payable in semiannual installments each September 28 and March 28 through March 2041 and callable on September 28, 2031. The contract finances energy-conservation improvements to District buildings. No principal was due during 2025-2026, so the full $12,100,129 was outstanding at June 30, 2026, of which $625,453 is due in 2026-2027. Debt service of $1,103,233 ($625,453 of principal and $477,780 of interest) is provided for in the 2026-2027 budget.
- Paid principal on serial bonds of $2,475,000 reducing the District's long-term obligations. Bonds payable at June 30, 2026 consist of $40,340,000 of principal and $845,155 of unamortized premium on the bonds, which is being amortized at $113,316 per year.
- The District's general obligation bonds are rated Baa2 by Moody's Ratings. Moody's assigned a negative outlook to the rating in August 2023 and removed it in December 2024; the rating was unchanged as of the State monitors' semiannual report for the period ended December 31, 2025.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The District's ability to raise revenue and levy enough real property taxes is highly dependent upon maintaining its population. According to the U.S. Census Bureau it is estimated that the State's population has decreased 1.7% from April 1, 2020 to July 1, 2024. Enrollment and graduation rates determine the level of personnel the District requires and significant changes can alter the District's operating strategy. According to the New York State Education Department, in 2024-2025, the District had K-12 enrollment of 10,420 and a four-year graduation rate of 70%. A decade earlier, in 2014-2015, the District had K-12 enrollment of 8,497 and a four-year graduation rate of 66%. The District's two high schools graduated the 2022 cohort in 2025-2026 at a four-year rate, including June and August graduates, of 69.8% district-wide, 80.9% at Ramapo High School and 62.2% at Spring Valley High School, compared with 69.6%, 87.7% and 58.8%, respectively, for the 2021 cohort in 2024-2025; the district-wide rate includes students attending BOCES programs.

The District is subject to several State finance laws. Major laws include:

- Limiting the amount of unassigned and assigned fund balance, exclusive of encumbrances and amounts designated for the subsequent year's budget, that can be retained by the general fund, to 4% of the ensuing year's budget.
- A tax levy cap which limits the amount the District can raise its tax levy by. The annual increase in the property tax levy cannot exceed the lesser of 2% or the change in the consumer price index, unless approved by a 60% supermajority of the taxpayers.
- The District may not incur expenditures in excess of budgeted appropriations, except for legally authorized emergency expenditures.
- The District is subject to a constitutional debt limit, which is 10% of the full assessed value on the most recent tax roll.

At June 30, 2026, the general fund's unassigned fund balance of $21,604,808 was 5.88% of the 2026-2027 adopted budget, which exceeds the 4% limit under Section 1318 of the Real Property Tax Law by $6,898,824. During 2025-2026 a plan to fund a reserve from the excess was placed on a Board of Education agenda and withdrawn before it was presented, as the Board did not wish to entertain the formation of a capital reserve. The District continues to fund its capital needs through the $5,549,237 transfer to the capital projects fund provided in the annual budget, and will review all of its reserves as needed, which may entail additional funding of reserves.

The District's 2026-2027 adopted budget for the general fund includes anticipated expenditures of $367,649,590. The expenditures are to be funded through $162,801,802 of real property taxes, $192,985,225 of other revenue, and $11,862,563 of fund balance. The budget was approved by the voters on May 19, 2026 with 66.9% of those voting in favor. The tax levy of $162,801,802 is unchanged from 2025-2026, a 0% increase, which is below the tax levy limit authorized under the State's tax cap legislation. Factors that have affected the 2026-2027 adopted budget include:

- The District's payroll expenditures across all funds for the year ended June 30, 2026 were $162,996,537. This amount is expected to increase by approximately 3% to adjust for scheduled raises. This would result in payroll expenditures of approximately $167,886,433 for the ensuing year. The 2026-2027 budget provides salary funds sufficient for contractual steps, existing contracts and expected settlements. Social Security and other directly correlated expenditures are expected to increase as well.
- The 2026-2027 budget of $367,649,590 is $19,360,717, or 5.6%, above the 2025-2026 adopted budget of $348,288,873. Pupil transportation is budgeted at $79,526,247 and general support at $34,483,947, compared with 2025-2026 expenditures of $81,035,410 and $38,614,405, while instruction is budgeted at $171,508,819 against $155,617,729 expended and employee benefits at $71,120,951 against $67,297,016.
- Changes to interest rates have the potential to significantly impact the District. Over the past few years, the District has benefited from large returns from its cash and equivalents which traditionally have not yielded large returns. On the contrary, the District must continue to manage its cash flow needs as the need to borrow for capital projects will result in high interest expenses for years to come. Interest rates follow changes in the Federal Reserve and Prime rates. The following is a summary of the changes in the rates over the past two years by fiscal quarter:

Year	Month	Federal Funds Target Rate	Prime Rate
2024	September	5.00%	8.00%
2024	December	4.50%	7.50%
2025	March	4.50%	7.50%
2025	June	4.50%	7.50%
2025	September	4.25%	7.25%
2025	December	3.75%	6.75%
2026	March	3.75%	6.75%
2026	June	3.75%	6.75%

- On September 16, 2026 the Federal Reserve raised the target range for the federal funds rate by 0.25% to 3.75% to 4.00%, its first increase since 2023, and the prime rate rose to 7.00% the following day.
- The District is also dependent on the State for a large portion of its revenue. Each annual State budget poses a substantial risk to the District as State funding could decrease. The District is also a member of the State's pension systems. Annual contributions to the State's pension systems are dependent upon how well funded the systems are. Poor market results or investing decisions can result in increases to District contributions. The State's 2026-2027 budget, enacted in May 2026, provides $39.3 billion in school aid, a $1.6 billion increase over 2025-2026, including a $779 million increase in Foundation Aid with a minimum 2% increase for every district. The State's 2026-2027 enacted budget financial plan projects the following State Operating Funds school aid amounts and increases, by State fiscal year:

State fiscal year	Projected State aid (in millions)	Increase
2028	$ 40,897	4.18%
2029	$ 42,494	3.90%
2030	$ 43,818	3.12%

- The District is expected to face large increases in healthcare costs which has been a growing problem in the United States. The District has recognized a $451,815,947 total OPEB liability as of June 30, 2026 which represents projected future retirees' healthcare costs. This liability has been actuarially determined and changes to assumptions or other actuarial factors can significantly alter this estimate.
- Tariffs have resulted in increased costs for certain materials, supplies, and contracted services, which may affect the acquisition and construction costs of capital assets, as well as operating expenditures. There have been multiple judicial challenges to the tariffs and, as such, the effect and use of tariffs are currently unpredictable.

EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2026

ASSETS		
Current assets		
Cash and equivalents		
Unrestricted	$	37,862,902
Restricted		39,315,374
Receivables		
State and federal aid		67,026,729
Due from other governments		1,199,361
Accounts receivable		240,904
Inventories		47,158
Non-current assets		
Capital assets		
Capital assets not being depreciated		112,330,839
Capital assets being depreciated, net of accumulated depreciation		45,794,311
Net pension asset - proportionate share NYSTRS		38,037,484
TOTAL ASSETS		341,855,062
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - NYSERS		4,200,951
Deferred outflows of resources - NYSTRS		48,398,856
Total other post-employment benefit obligation		54,673,234
TOTAL DEFERRED OUTFLOWS OF RESOURCES		107,273,041
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	449,128,103
LIABILITIES		
Payables		
Accounts payable	$	23,499,091
Accrued liabilities		2,041,651
Accrued interest payable		406,241
Due to fiduciary funds		159,441
Due to other governments		947,904
Due to teachers' retirement system		15,521,799
Due to employees' retirement system		989,781
Long-term liabilities		
Due and payable within one year		
Bonds payable, net		2,673,316
Energy performance contract		625,453
NYSERS Stabilization program liability		199,339
Compensated absences payable		177,412
Total other post-employment benefits obligation		17,592,826
Due and payable after one year		
Bonds payable, net		38,511,839
Energy performance contract		11,474,676
NYSERS Stabilization program liability		160,532
Compensated absences payable		1,596,708
Workers' compensation claims payable		3,868,977
Net pension liability - proportionate share NYSERS		2,202,606
Total other post-employment benefits obligation		434,223,121
TOTAL LIABILITIES		556,872,713
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - NYSERS		4,168,348
Deferred inflows of resources - NYSTRS		32,621,848
Total other post-employment benefits obligation		64,241,032
TOTAL DEFERRED INFLOWS OF RESOURCES		101,031,228
NET POSITION		
Net investment in capital assets		116,826,308
Restricted		
Workers' compensation		3,534,949
Retirement contribution - NYS employees' retirement system		14,139,796
Retirement contribution - NYS teachers' retirement system		2,561,820
Employee benefit accrued liability		3,526,451
Unemployment insurance		1,178,317
Insurance		129,383
Debt service		648,293
Other restricted reserves		8,499
Scholarships		318,950
Extraclassroom and other student activities		261,948
Pension plan - NYSTRS		38,037,484
		64,345,890
Unrestricted (deficit)		(389,948,036)
TOTAL NET POSITION (DEFICIT)		(208,775,838)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	$	449,128,103

See Accompanying Notes to Financial Statements

EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
FUNCTIONS / PROGRAMS				
General support	$ (44,342,675)	$ -	$ 524,786	$ (43,817,889)
Instruction	(289,667,098)	723,415	75,174,586	(213,769,097)
Pupil transportation	(83,643,776)	-	2,158,714	(81,485,062)
Community services	(535,273)	-	50,934	(484,339)
Food service program	(7,113,579)	66,794	9,214,838	2,168,053
Debt service - interest	(1,754,636)	-	-	(1,754,636)
TOTAL FUNCTIONS AND PROGRAMS	$ (427,057,037)	$ 790,209	$ 87,123,858	$ (339,142,970)
GENERAL REVENUES				
Real property taxes				155,175,401
Other tax items - including STAR reimbursement				5,452,056
Use of money and property				2,914,264
Sale of property and compensation for loss				72,681
Miscellaneous				858,240
State sources				180,153,516
Medicaid reimbursement				546,467
TOTAL GENERAL REVENUES				345,172,625
CHANGE IN NET POSITION				6,029,655
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR				(214,805,493)
TOTAL NET POSITION (DEFICIT) - END OF YEAR				$ (208,775,838)

See Accompanying Notes to Financial Statements

EAST RAMAPO CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

	General	Special Aid	School Food Service	Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
ASSETS							
Cash and equivalents							
Unrestricted	$ 36,584,825	$ 1,147,960	$ 130,117	$ -	$ -	$ -	$ 37,862,902
Restricted	25,079,215	-	-	581,348	13,418,073	236,738	39,315,374
Receivables							
State and federal aid	12,289,230	51,476,756	926,574	-	2,334,169	-	67,026,729
Due from other governments	1,199,361	-	-	-	-	-	1,199,361
Accounts receivable	240,904	-	-	-	-	-	240,904
Due from governmental funds	47,538,613	-	6,050,629	40,385	9,284,121	411,555	63,325,303
Inventories	-	-	47,158	-	-	-	47,158
TOTAL ASSETS	$ 122,932,148	$ 52,624,716	$ 7,154,478	$ 621,733	$ 25,036,363	$ 648,293	$ 209,017,731
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE							
Payables							
Accounts payable	$ 17,768,525	$ 4,941,392	$ 675,487	$ -	$ 113,687	$ -	$ 23,499,091
Accrued liabilities	1,878,858	145,161	17,632	-	-	-	2,041,651
Due to other governments	947,895	-	9	-	-	-	947,904
Due to governmental funds	15,746,305	47,538,163	-	40,835	-	-	63,325,303
Due to fiduciary fund	159,441	-	-	-	-	-	159,441
Due to teachers' retirement system	15,521,799	-	-	-	-	-	15,521,799
Due to employees' retirement system	882,981	-	106,800	-	-	-	989,781
TOTAL LIABILITIES	52,905,804	52,624,716	799,928	40,835	113,687	-	106,484,970
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	1,199,361	-	-	-	2,334,169	-	3,533,530
TOTAL DEFERRED INFLOWS OF RESOURCES	1,199,361	-	-	-	2,334,169	-	3,533,530
FUND BALANCES							
Non-Spendable	-	-	47,158	-	-	-	47,158
Restricted							
Workers' compensation	3,534,949	-	-	-	-	-	3,534,949
Retirement contribution - NYS employees' retirement system	14,139,796	-	-	-	-	-	14,139,796
Retirement contribution - NYS teachers' retirement system	2,561,820	-	-	-	-	-	2,561,820
Employee benefit accrued liability	3,526,451	-	-	-	-	-	3,526,451
Unemployment insurance	1,178,317	-	-	-	-	-	1,178,317
Other restricted reserves	8,499	-	-	-	-	-	8,499
Insurance	129,383	-	-	-	-	-	129,383
Debt service	-	-	-	-	-	648,293	648,293
Scholarships	-	-	-	318,950	-	-	318,950
Extraclassroom and other student activities	-	-	-	261,948	-	-	261,948
Assigned							
Appropriated fund balance	11,862,563	-	-	-	-	-	11,862,563
Unappropriated fund balance	10,280,397	-	6,307,392	-	22,588,507	-	39,176,296
Unassigned fund balance	21,604,808	-	-	-	-	-	21,604,808
TOTAL FUND BALANCES	68,826,983	-	6,354,550	580,898	22,588,507	648,293	98,999,231
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 122,932,148	$ 52,624,716	$ 7,154,478	$ 621,733	$ 25,036,363	$ 648,293	$ 209,017,731

See Accompanying Notes to Financial Statements

EAST RAMAPO CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total Governmental Fund Balances		$ 98,999,231
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The costs of the building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.		
Original cost of capital assets	$ 258,126,628	
Accumulated depreciation	(100,001,478)	158,125,150
Deferred inflows of resources - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenues under the modified accrual method.		3,533,530
Proportionate share of long-term asset/liability, and deferred outflows and inflows associated with participation in the State retirement systems are not current financial resources or obligations and are not reported in the funds:		
Proportionate share of net pension asset - NYSTRS	38,037,484	
Proportionate share of net pension liability - NYSERS	(2,202,606)	
Deferred outflows of resources - NYSERS and NYSTRS pension related	52,599,807	
Deferred inflows of resources - NYSERS and NYSTRS pension related	(36,790,196)	51,644,489
Long-term liability and related deferred outflows and inflows associated with total other post-employment benefit obligation are not current financial resources or obligations and are not reported in the funds:		
Deferred outflows of resources - OPEB related	54,673,234	
Total other post-employment benefits obligation	(451,815,947)	
Deferred inflows of resources - OPEB related	(64,241,032)	(461,383,745)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds payable, net	(41,185,155)	
Energy performance contract	(12,100,129)	
ERS stabilization program liability	(359,871)	
Compensated absences payable	(1,774,120)	
Workers' compensation claims payable	(3,868,977)	(59,288,252)
Interest payable applicable to the District's activities are due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position.		(406,241)
Total Net Position (Deficit)		$ (208,775,838)

See Accompanying Notes to Financial Statements

EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	General	Special Aid	School Food Service	Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
REVENUES							
Real property taxes	$ 156,762,479	$ -	$ -	$ -	$ -	$ -	$ 156,762,479
Other tax items - including STAR reimbursement	5,452,056	-	-	-	-	-	5,452,056
Charges for services	723,415	-	-	-	-	-	723,415
Use of money and property	2,874,543	-	5,100	11,045	-	23,576	2,914,264
Sale of property and compensation for loss	72,681	-	-	-	-	-	72,681
Miscellaneous	418,773	-	6,628	432,839	-	-	858,240
State sources	180,153,516	19,096,381	170,324	-	778,507	-	200,198,728
Medicaid reimbursement	546,467	-	-	-	-	-	546,467
Federal sources	47,588	58,765,051	8,564,279	-	-	-	67,376,918
Surplus food	-	-	480,235	-	-	-	480,235
Sales	-	-	66,794	-	-	-	66,794
TOTAL REVENUES	347,051,518	77,861,432	9,293,360	443,884	778,507	23,576	435,452,277
EXPENDITURES							
General support	38,614,404	524,786	-	-	-	-	39,139,190
Instruction	155,617,730	73,593,213	-	400,735	-	-	229,611,678
Pupil transportation	81,035,410	2,158,714	-	-	-	-	83,194,124
Community services	345,878	50,934	-	-	-	-	396,812
Employee benefits	67,297,016	1,783,785	349,243	-	-	-	69,430,044
Debt service - principal	2,475,000	-	-	-	-	-	2,475,000
Debt service - interest	1,884,112	-	-	-	-	-	1,884,112
Cost of sales	-	-	8,010,774	-	-	-	8,010,774
Capital outlay	-	-	-	-	6,906,992	-	6,906,992
TOTAL EXPENDITURES	347,269,550	78,111,432	8,360,017	400,735	6,906,992	-	441,048,726
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(218,032)	(250,000)	933,343	43,149	(6,128,485)	23,576	(5,596,449)
OTHER FINANCING SOURCES AND USES							
Proceeds from issuance of energy performance contract	-	-	-	-	12,100,129	-	12,100,129
Operating transfers in	-	250,000	-	-	5,549,237	-	5,799,237
Operating transfers (out)	(5,799,237)	-	-	-	-	-	(5,799,237)
TOTAL OTHER FINANCING SOURCES (USES)	(5,799,237)	250,000	-	-	17,649,366	-	12,100,129
NET CHANGE IN FUND BALANCES	(6,017,269)	-	933,343	43,149	11,520,881	23,576	6,503,680
FUND BALANCES - BEGINNING OF YEAR	74,844,252	-	5,421,207	537,749	11,067,626	624,717	92,495,551
FUND BALANCES - END OF YEAR	$ 68,826,983	$ -	$ 6,354,550	$ 580,898	$ 22,588,507	$ 648,293	$ 98,999,231

See Accompanying Notes to Financial Statements

EAST RAMAPO CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

Net Change in Fund Balance		$ 6,503,680
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
Deferred inflows of resources - The Statement of Net Position recognized revenue received under the full accrual method. Governmental funds recognize revenue under the modified accrual method.		(2,365,585)
In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the fiscal year ended June 30, 2026 changed by:		(325,990)
Workers' compensation claims payable in the Statement of Activities differs from the amounts reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Workers' compensation claims payable for the fiscal year ended June 30, 2026 changed by:		297,420
Total other post-employment benefits obligation in the Statement of Activities differs from the amount reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Total other post-employment benefits obligation for the fiscal year ended June 30, 2026 changed by:		(62,390,403)
Deferred inflows related to total other post-employment benefits in the Statement of Activities require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Deferred inflows related to total other post-employment benefits for the fiscal year ended June 30, 2026 changed by:		24,604,706
Deferred outflows related to total net other post-employment benefits in the Statement of Activities require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Deferred inflows related to total other post-employment benefits for the fiscal year ended June 30, 2026 changed by:		30,412,067
Capital Related Differences		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlays exceeded depreciation in the period:		
Capital outlays	$ 6,719,617	
Depreciation expense	(3,526,628)	3,192,989
Long-Term Debt Transaction Differences		
Repayment of long-term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. Similarly, proceeds from the issuance of debt is an other financing source in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Bonds payable	2,475,000	
Energy performance contract	(12,100,129)	
ERS stabilization program liability	313,832	(9,311,297)
Governmental funds report the effect of premiums, discounts and similar items when long-term debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amount of amortization on the bond premium is:		113,316
Interest on short and long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statements of Activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest for the fiscal year ended June 30, 2026 changed by:		16,160
Pension Differences		
Increases/decreases in proportionate share of net pension asset/liability and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
New York State Employees' retirement system	89,142	
New York State Teachers' retirement system	15,193,450	15,282,592
Change in Net Position of Governmental Activities		$ 6,029,655

See Accompanying Notes to Financial Statements

EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2026

	Custodial Fund
ASSETS - due from governmental funds	$ 159,441
LIABILITIES - due to other governments	$ 159,441

See Accompanying Notes to Financial Statements

EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Custodial Fund
ADDITIONS - Real property taxes collected for Public Library	$ 9,408,346
DEDUCTIONS - Real property taxes disbursed to Public Library	9,408,346
CHANGE IN NET POSITION	-
FIDUCIARY NET POSITION - BEGINNING OF YEAR	-
FIDUCIARY NET POSITION - END OF YEAR	$ -

See Accompanying Notes to Financial Statements

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of East Ramapo Central School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized by the District are described as follows:

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of nine (9) members. The Board of Education serves as the legislative body and has the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters. In addition, the Board is responsible for, and controls all activities related to public school education within the District. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer.

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

B) Joint venture:

The District is a component district that participates in the Rockland County Board of Cooperative Educational Services (BOCES). A 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 Section §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 Section §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 Section §119-n(a) of the New York State General Municipal Law.

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

C) Basis of presentation:

i) District-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of interfund transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants and contributions, while capital grants and contributions include capital specific grants, if applicable.

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

ii) Fund Financial Statements:

The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District financial statements reflect the following major funds:

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

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

School Food Service Fund: This fund is used to account for the activities of the District's school lunch operations, which are supported by federal and state grants and charges to participants for its services.

Special Revenue Fund: This fund is used to account for assets held by the District in accordance with grantor or contributor stipulations. Other activities included in this fund are scholarships and extraclassroom and other student activities.

Capital Projects Fund: These funds are used to account for the financial resources used for acquisition, construction, renovation, or major repair of capital facilities and other capital assets, such as equipment.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

The District reports the following fiduciary fund:

Fiduciary Funds: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the District-Wide Financial Statements because their resources do not belong to the District and are not available to be used. The District's fiduciary fund includes the custodial fund, where assets and liabilities are held by the District as a custodian. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments, and utilizes the economic resources measurement focus and the accrual basis of accounting.

D) Measurement focus and basis of accounting:

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

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

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 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, compensated absences, pension costs, other post-employment benefits which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E) Real property taxes:

Calendar

Real property taxes are levied annually by the Board and become a lien on July 1st. The District's tax levy is collected by the Towns of Ramapo, Clarkstown, and Haverstraw, and are remitted to the District September 1st through October 31st, after which collection responsibility is transferred to Rockland County, New York (the County) as discussed below.

Enforcement

Uncollected real property taxes are subsequently enforced by the County. The County pays an amount representing uncollected real property taxes to the District no later than the following April 1st.

F) Restricted resources:

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

G) Interfund transactions:

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

In the District-Wide Financial Statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary fund). Eliminations have been made for all interfund receivables and payables between governmental funds.

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

Refer to Note 11 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) Estimates:

The preparation of financial statements in conformity GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses/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, workers' compensation claims payable, net pension liabilities - proportionate share, potential contingent liabilities, other postemployment benefits, and useful lives of capital assets.

I) Cash and cash equivalents:

The District's cash and equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

J) Restricted cash:

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

K) Receivables:

Receivables are shown net of allowance for uncollectible amounts, when applicable. An allowance for uncollectible accounts represents the portion of receivables that is not expected to be collected.

L) Inventories and prepaid items:

Inventories of food in the school food service fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Federal Government's assigned 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.

An amount for these non-liquid assets (inventories) has been recognized in the school food service fund as non-spendable fund balance under GASB Statement No. 54 to signify that a portion of fund balance is not available for other subsequent expenditures.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. The District has no prepaid items as of June 30, 2026.

M) Capital assets:

Capital assets are reflected in the District-Wide Financial Statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the time received.

All capital assets, except land and construction in progress, are depreciated on a straight line basis over their estimated useful lives. Capitalization thresholds (the individual dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building and building improvements	$ 5,000	Straight-line	20-50 years
Furniture and equipment	$ 5,000	Straight-line	5-20 years

N) Collections in advance:

Collections in advance arise when the District receives resources 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 District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2026 consisted of unearned grant monies in the special aid fund, and prepaid balances for meals and grant advances in the school lunch fund.

O) Deferred outflows and inflows of resources:

The Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. These amounts are related to pensions and the other post-employment benefits reported in the District-Wide Statement of Net Position, and are detailed further in Notes 12 and 14.

The Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are related to pensions and other post-employment benefits reported in the District-Wide Statement of Net Position, and are detailed further in Notes 12 and 14.

The deferred inflows of resources on the Governmental Funds Balance Sheet will sometimes report deferred inflow of resources when potential revenues do not meet the availability criterion for recognition in the current period. These amounts are recorded as deferred inflows of resources. In subsequent periods, when the availability criterion is met, deferred revenues are reclassified as revenues. The District wide financial statements, however, report these deferred inflows as revenues in accordance with the accrual basis of accounting and economic resources measurement focus.

P) Vested employee benefits:

Compensated absences

Compensated absences consist of unpaid accumulated annual vacation time.

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

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

In accordance with GASB Statement No. 101, *Compensated Absences*, the liability has been calculated using the vesting method and includes leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. An accrual for that liability is included in the District-Wide financial statements.

In the fund financial 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. The liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

Q) Other benefits:

District employees participate in the New York State and Local Employees' Retirement System or the New York State Teachers' Retirement System.

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

The District provides health insurance coverage for active employees pursuant to collective bargaining agreements and individual employment contracts.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payments). In the District-Wide Financials Statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

R) Short-term debt:

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

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which 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 District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

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

The District did not issue any short-term debt for the year ended June 30, 2026.

S) Accrued liabilities and long-term obligations:

Payables, accrued liabilities, and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, compensated absences, net pension liabilities-proportionate share, and other post-employment benefits that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent they have matured. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

T) Equity classifications:

i) District-Wide Financial Statements

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

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

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 the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple net position classifications (i.e. expenditures related to restricted net position) the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which net position classification will be charged. Restricted for TRS pension is the component of net position that reports the amount of the TRS net pension asset in accordance with the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

ii) Fund Financial Statements

There are five classifications of fund balance as detailed below; however, in the District's fund financial statements there are four classifications of fund balance presented:

1) **Nonspendable fund balance** - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the school food service fund of $47,158.

2) **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.

Currently, New York State laws still use the terminology "reserves" and districts are allowed to use reserves authorized by law. The District has classified the following as restricted:

Workers' Compensation Reserve

Workers' Compensation Reserve (GML §6-j) must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. 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. This reserve is accounted for in the general fund under restricted fund balance.

Retirement Contribution Reserve

Retirement contribution reserve (GML§6-r) must be used for the purpose of financing retirement contributions payable to the New York State and Local Employees' Retirement System. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may be legally appropriated. The Board has adopted 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. These reserves are accounted for in the general fund under restricted fund balance.

Employee Benefit Accrued Liability Reserve

Employee Benefit Accrued Liability Reserve (GML §6-p) must be used to reserve funds for the payment of accrued employee benefit based on unused and unpaid sick leave, personal leave, holiday leave or vacation time due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund under restricted fund balance.

Unemployment Insurance Reserve

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

Insurance Reserve

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

Tax Certiorari Reserve

Tax certiorari reserve (ED § 3651 [1-a]), Chapter 588 of the Laws of 1988 amended Section 3651 of the Education Law to permit the establishment of a reserve fund for tax certiorari and to expend from the fund without voter approval of the qualified voters of the school district. The total of the monies held in the reserve fund shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings in accordance with Article 7 of the Real Property Tax Law. Any monies deposited to such a reserve fund 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 into the reserve unless claim(s) are still open and not finally determined or otherwise terminated or disposed of. This reserve is accounted for in the general fund as restricted fund balance.

Repair Reserve

Repair reserve (GML§6-d) is used to pay the costs of repairs to capital improvements or equipment, for which repairs are of a type not recurring annually. The Board, without voter approval may establish a repair reserve fund by a majority of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the general fund and the capital projects fund.

Restricted for Debt Service

Unexpended balances of proceeds of borrowings for capital projects; interest and earning from investing proceeds of obligations, and premium and accrued interest are recorded in the debt service fund and held until appropriated for debt payments. These restricted amounts are accounted for in the debt service fund.

Unspent Debt Proceeds

Unspent long-term bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Restricted for Scholarships

Amounts restricted for scholarships and donations are used to account for monies donated for scholarship purposes, net of earnings and awards. These restricted funds are accounted for in the special revenue fund.

Restricted for Extraclassroom and Other Student Activities

Amounts restricted for extraclassroom and other student activities are used to account for funds contributed and deposited by students. These restricted funds are accounted for in the special revenue fund.

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

4) **Assigned fund balance** – Includes amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Education. The purpose of the assignment 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 includes an amount appropriated to partially fund the subsequent year's budget. Assigned fund balance also includes encumbrances not classified as restricted or committed at the end of the fiscal year.

5) **Unassigned fund balance** - Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

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

   The District's general unassigned fund balance exceeded the 4% limitation at June 30, 2026.

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted 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.

U) Implementation of New Accounting Standards:

GASB Statement No. 103, Financial Reporting Model Improvements, is effective for the year ended June 30, 2026. This Statement improves key components of the financial reporting model, including management's discussion and analysis, the presentation of the financial statements, and budgetary comparison information. Among other changes, budgetary comparison schedules are required to present the variance between the original budget and the final budget in addition to the variance between the final budget and actual amounts.

GASB Statement No. 104, Disclosure of Certain Capital Assets, is effective for the year ended June 30, 2026. This Statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosures.

V) Future changes in accounting standards:

GASB has issued Statement No. 105 - "Subsequent Events" which is effective for fiscal years beginning after June 15, 2026. The effects of the implementation of this pronouncement are not known at this time.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENTS AND THE DISTRICT-WIDE STATEMENTS:

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. The 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.

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of the four broad categories. The amounts shown below represent:

i) Long-term revenue and expense differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities, thereby affecting expenses such as compensated absences, pension costs and other post-employment benefits.

ii) 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 reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

iv) Pension differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which 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.

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

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

B) Encumbrances:

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as assignments or restrictions of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

C) Expenditures in Excess of Budget

Certain individual budgetary expenditures exceeded their budgetary authorizations in the General Fund.

NOTE 4 – CASH AND EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS:

A) Cash and Equivalents:

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

A) Uncollateralized;
B) Collateralized with securities held by the pledging financial institution in the District's name; or
C) Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

None of the District's aggregate bank balances, not covered by FDIC insurance, were exposed to custodial credit risk as described above at year end.

Restricted cash:

Restricted cash represents cash and equivalents where use is limited by the legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2026 included $39,315,374 within the governmental funds for general reserve purposes in the general fund, scholarships, extraclassroom and other student activities in the special revenue fund, unspent debt proceeds in capital projects fund, and debt service reserve in the debt service fund.

B) Investments:

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

C) Investment pool:

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. At June 30, 2026, the District held $32,500,124 in the governmental funds, in investments consisting of various investment in securities issued by the United States and its agencies.

NOTE 5 – PARTICIPATION IN BOCES:

During the year ended June 30, 2026, the District was billed $22,203,123 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $4,641,212. Financial statements for the Rockland BOCES are available from the Rockland BOCES administrative office at 65 Parrott Road, West Nyack, New York 10994.

NOTE 6 – STATE AND FEDERAL AID RECEIVABLE:

State and federal aid receivable at June 30, 2026 consisted of the following:

Fund/source	Amount
General Fund:	
Basic aid	$ 7,593,703
Excess cost aid	2,038,821
BOCES aid	2,656,706
Total general fund	12,289,230
Special aid fund:	
Federal aid	37,864,193
State aid	13,612,563
Total special aid fund	51,476,756
School Food Service:	
School food service - federal reimbursement	886,333
School food service - state reimbursement	40,241
Total school food service	926,574
Capital Projects:	
DASNY grants	140,855
Smart Schools	2,193,314
Total capital projects	2,334,169
Total	$ 67,026,729

District management has deemed these amounts to be fully collectible, however the amounts reported in the capital projects fund are also recorded as a deferred inflows of resources for unavailable revenue.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments at June 30, 2026 consisted of the following:

General fund	Amount
Due from other governments	$ 1,199,361

District management has deemed these amounts to be fully collectible, however $1,199,361 of the due from other governments is also recorded as a deferred inflows of resources for unavailable revenue.

NOTE 8 – DUE TO OTHER GOVERNMENTS:

Due to other governments at June 30, 2026 consisted of the following:

Fund/source	Amount
General fund - other governments	$ 947,895
School food service - sales tax payable	9
Total	$ 947,904

NOTE 9 - CAPITAL ASSETS:

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 7,764,601	-	-	7,764,601
Construction in progress	106,669,200	2,262,329	(4,365,291)	104,566,238
Total capital assets not depreciated	114,433,801	2,262,329	(4,365,291)	112,330,839
Capital assets that are depreciated:				
Building and building improvements	128,374,879	7,782,207	-	136,157,086
Furniture and equipment	8,598,331	1,040,372	-	9,638,703
Total depreciable historical cost	136,973,210	8,822,579	-	145,795,789
Less accumulated depreciation:				
Building and building improvements	91,917,129	2,658,574	-	94,575,703
Furniture and equipment	4,557,721	868,054	-	5,425,775
Total accumulated depreciation	96,474,850	3,526,628	-	100,001,478
Total capital assets, net	$ 154,932,161	7,558,280	(4,365,291)	158,125,150

Depreciation expense was charged to governmental functions as follows:

General support	$ 191,033
Instruction	3,335,077
Pupil transportation	518
	$ 3,526,628

NOTE 10 – INTERFUND TRANSACTIONS:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	$ 47,538,613	15,905,746	-	5,799,237
Special aid fund	-	47,538,163	250,000	-
School food service	6,050,629	-	-	-
Miscellaneous special revenue	40,385	40,835	-	-
Capital projects fund	9,284,121	-	5,549,237	-
Debt service fund	411,555	-	-	-
Total government activities	63,325,303	63,484,744	5,799,237	5,799,237
Custodial fund	159,441	-	-	-
Total	$ 63,484,744	63,484,744	5,799,237	5,799,237

The District typically transfers from the general fund to the special aid fund to fund the District's 20% share of the summer school program for students with disabilities and the basic contribution required for Section 4201 state-supported school expenditures required by State Law.

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

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

NOTE 11 – LONG-TERM DEBT OBLIGATIONS:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Construction bonds	$ 42,815,000	-	2,475,000	40,340,000	2,560,000
Unamortized premium on bonds	958,471	-	113,316	845,155	113,316
Total bonds payable, net	43,773,471	-	2,588,316	41,185,155	2,673,316
Other long-term liabilities:					
Energy performance contract	-	12,100,129	-	12,100,129	625,453
NYSERS stabilization liability	673,703	-	313,832	359,871	199,339
Compensated absences	1,448,130	325,990	-	1,774,120	177,412
Workers compensation claims	4,166,397	-	297,420	3,868,977	-
Net pension liability - NYSERS	6,498,607	-	4,296,001	2,202,606	-
Total OPEB liability	389,425,544	79,983,231	17,592,828	451,815,947	17,592,826
Total long-term liabilities	$ 445,985,852	92,409,350	25,088,397	513,306,805	21,268,346

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, energy performance contracts, NYSERS stabilization program liability, compensated absences payable, workers' compensation claims payable, other post-employment benefits liability and net pension liabilities.

A) Bonds payable

Existing serial and statutory bond obligations are comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at Year End
Various Capital Improvements	2019	December 2033	2.50-5.00%	$ 13,965,000
Various Capital Improvements	2020	March 2047	5.00%	26,375,000
				$ 40,340,000

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

Year Ending June 30,	Principal	Interest	Total
2027	$ 2,560,000	1,758,613	4,318,613
2028	2,655,000	1,636,763	4,291,763
2029	2,735,000	1,518,762	4,253,762
2030	2,810,000	1,410,550	4,220,550
2031	2,880,000	1,305,894	4,185,894
2032-2036	11,500,000	4,945,400	16,445,400
2037-2041	6,460,000	3,167,250	9,627,250
2042-2046	7,200,000	1,481,500	8,681,500
2047	1,540,000	77,000	1,617,000
	$ 40,340,000	17,301,732	57,641,732

B) Unamortized Premiums on Bonds

The District received $1,661,975 of bond premium from the issuance of the April 17, 2019 bonds. The premium will be amortized as a reduction of bond interest expense over the life of the bonds in the District-Wide financial statements as follows:

Year Ending June 30,	Amortization of Premium
2027	$ 113,316
2028	113,316
2029	113,316
2030	113,316
2031	113,316
2032-2034	278,575
	$ 845,155

C) Long-Term Interest

Interest on long-term debt for the year ended June 30, 2026 was comprised of:

	Amount
Interest on long-term debt:	
Interest paid	$ 1,884,112
Less interest accrued in prior year	(422,401)
Less premium amortization	(113,316)
Plus interest accrued in current year	406,241
Total expense	$ 1,754,636

D) Energy Performance Contract

Energy performance contract is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at Year End
2026 Energy Performace Contract	2026	March 2041	4.87%	$ 12,100,129

The following is a summary of debt service requirements for the energy performance contract:

Year Ending June 30,	Principal	Interest	Total
2027	$ 625,453	477,780	1,103,233
2028	588,197	552,195	1,140,392
2029	617,215	523,177	1,140,392
2030	647,665	492,727	1,140,392
2031	679,617	460,775	1,140,392
2032-2036	3,935,335	1,766,625	5,701,960
2037-2041	5,006,647	695,275	5,701,922
	$ 12,100,129	4,968,554	17,068,683

NOTE 12 – PENSION PLANS:

General information

The District participates in the New York State and Local Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS) (collectively referred to as the Systems).

Plan descriptions and benefits provided

Employees' Retirement System

The New York State and Local Employees' Retirement System is a cost-sharing, multiple-employer retirement system. NYSERS provides 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), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of NYSERS. NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in NYSERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan ("NYSGLIP"), which provides death benefits in the form of life insurance. NYSERS is included within New York 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.

Teachers' Retirement System

The New York State Teachers' Retirement System is a cost-sharing, multiple-employer retirement system. NYSTRS provides retirement benefits, as well as death and disability 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 is governed by a 10 member Board of Trustees. NYSTRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in NYSTRS. Once a public 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. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

The Systems are noncontributory for the employee who joined prior to July 27, 1976 (tiers I and II). For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary (tiers III and IV). For NYSERS, employees who joined the system between January 1, 2010 and April 1, 2012, are required to contribute 3% of their salary (tier V). For NYSTRS, employees who joined the system between January 1, 2010 and April 1, 2012, are required to contribute 3.5% of their salary (tier V). In addition, employee contribution rates (3% to 6%) under NYSERS and NYSTRS tier VI (those who joined after April 1, 2012) vary based on a sliding salary scale. With the exception of NYSERS and NYSTRS tier V and VI employees, employees in the system more than ten years are no longer required to contribute. For NYSERS, the Comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

Year	NYSERS	NYSTRS
2026	$ 3,044,145	$ 12,719,565
2025	$ 2,526,166	$ 12,729,843
2024	$ 2,065,953	$ 10,797,165

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

At June 30, 2026, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2026 for NYSERS and June 30, 2025 for NYSTRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of

	NYSERS	NYSTRS
Measurement date	March 31, 2026	June 30, 2025
District's proportionate share of the net pension asset/(liability)	$ (2,202,606)	$ 38,037,484
District portion of the Plan's total net pension asset/(liability)	0.0390412%	0.6424100%
Change in proportionate share	0.001130	0.063010

For the year ended June 30, 2026, the District recognized pension expense of $2,936,118 for NYSERS and pension income of $2,372,201 for NYSTRS. At June 30, 2026 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	NYSERS	NYSTRS	NYSERS	NYSTRS
Differences between expected and actual experience	$ 1,260,460	19,940,122	-	-
Changes of assumptions	378,090	15,057,856	-	410,107
Investment earnings	-	-	3,949,394	29,707,180
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,572,620	681,313	218,954	2,504,561
District's contributions subsequent to the measurement date	989,781	12,719,565	-	-
Total	$ 4,200,951	48,398,856	4,168,348	32,621,848

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	NYSERS	NYSTRS
2027	$ 1,305,819	18,882,571
2028	(1,069,295)	(8,324,009)
2029	(473,664)	(8,840,098)
2030	(720,038)	(2,143,840)
2031	-	2,905,480
Thereafter	-	577,339
Total	$ (957,178)	3,057,443

Actuarial Assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset/(liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

Actuarial item	NYSERS	NYSTRS
Measurement date	March 31, 2026	June 30, 2025
Valuation date	April 1, 2025	June 30, 2024
Discount rate	5.90%	6.95%
Salary scale	5.20%	2.04% - 5.80%
Cost of living adjustments	1.50%	1.40%
Inflation rate	2.90%	2.50%

For NYSERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 system experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. For NYSTRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

For NYSERS, the actuarial assumptions used in the April 1, 2025 valuation are based on the results of an actuarial experience study for the period April 1, 2020 - March 31, 2025. For NYSTRS, the actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2019 - June 30, 2024.

For NYSERS, 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

For NYSTRS, 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 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.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation, as of the actuarial valuation date, are summarized in the following table:

	ERS		TRS	
Asset class	Target allocation	Long-term expected real rate of return	Target allocation	Long-term expected real rate of return
Domestic equity	25%	3.29%	33%	6.70%
International equity	14%	5.85%	15%	7.40%
Real estate equity	-	-	11%	6.50%
Global equity	-	-	4%	7.00%
Domestic fixed income	-	-	16%	2.60%
Global bonds	-	-	2%	2.40%
High-yield bonds	-	-	1%	4.70%
Real estate debt	-	-	6%	3.80%
Real estate	12%	5.20%	-	-
Private equity	15%	7.00%	9%	9.80%
Private debt	-	-	2%	6.10%
Real assets	4%	5.54%	-	-
Fixed income	22%	1.75%	-	-
Opportunistic/ARS portfolio	3%	5.13%	-	-
Credit	4%	5.10%	-	-
Cash and equivalents	1%	0.25%	1%	0.60%
	100%		100%	

* For ERS, the real rate of return are net of a long-term inflation assumption of 2.5%. For TRS, the real rates of return are net of pension plan investment expenses and long-term inflation expectations.

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.90% for NYSERS and 6.95% for NYSTRS. 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 Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

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

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

NYSERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset/(liability)	$ (15,043,193)	$ (2,202,606)	$ 8,532,694

NYSTRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset/(liability)	$ (73,089,507)	$ 38,037,484	$131,545,064

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	NYSERS	NYSTRS
	(Dollars in Thousands)	
Measurement date	March 31, 2026	June 30, 2025
Employers' total pension liability	$ (253,773)	(148,272)
Plan net position	248,131	154,193
Employers' net pension asset/(liability)	$ (5,642)	5,921
Ratio of plan net position to the Employers' total pension liability	97.78%	104.00%

Payables to the Pension Plan

For NYSERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2026 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2026 based on paid NYSERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to $989,781.

For NYSTRS, employer and employee contributions for the fiscal year ended June 30, 2026 are paid to the System in September, October and November 2025 through a state aid deduction and remittance to NYSTRS. Accrued retirement contributions as of June 30, 2026 represent employee and employer contributions for the fiscal year ended June 30, 2026 based on paid NYSTRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the NYSTRS System. Accrued employee

retirement and employer contributions amounted to $2,802,234 and $12,719,565, respectively, as of June 30, 2026. Total accrued NYSTRS contributions as of June 30, 2026 amount to $15,521,799.

Pension Plans - Other

Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. Contributions made by employees for the year ended June 30, 2026, totaled $4,447,621.

Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2026 totaled $227,224.

NOTE 13 – OTHER PENSION OBLIGATIONS – NYSERS STABILIZATION PROGRAM:

Legislation enacted as part of the 2013-14 New York State adopted budget as Chapter 57 of the Laws of 2013 established an alternative to the original Contribution Stabilization Program enacted in 2010. This Alternate Contribution Stabilization Program ("ACSP") authorized local governments and school districts, at their option, to defer payment on a portion of their annual NYSERS contribution beginning in the 2013-14 fiscal year. The maximum amortization amount in each year going forward under this alternate plan will be determined by the difference between each employer's normal effective contribution rate as compared to the System's ACSP graded rate. The graded rate will always move from the previous graded rate towards the new actuarial rate by no more than 0.5% per year. Any amounts amortized under this program are to be paid in equal annual installments over a twelve-year period, although amounts may be prepaid at any time. The interest rate on an amount amortized in a given year will be the interest rate for that year and will be fixed for the duration of that payment period. The interest rate will be comparable to a twelve-year U.S. Treasury bond plus 1%. If the System's average actuarial rates are lower than the employer's graded rate, the employer would still be required to pay the graded rate. Any additional contributions made as a result will first be used to pay off existing amortizations with any excess being deposited into a reserve account to be used to offset future increases in contribution rates. The District elected to amortize the maximum allowable ERS contributions for the years noted in the table below. The following table summarizes transactions during the year related to amounts amortized under this program and included as a long-term liability in the District-Wide Statement of Net Position, as NYSERS stabilization program liability:

Fiscal Year	Opening Principal	Current Principal Payments	Ending Principal	Due Within One Year
2014	$ 120,865	120,865	-	-
2015	149,359	73,395	75,964	75,964
2016	275,635	88,859	186,776	91,845
2017	127,844	30,713	97,131	31,530
	$ 673,703	313,832	359,871	199,339

NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS:

Plan Description:

The District's OPEB Plan (the OPEB Plan), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP), and are administered by Empire BlueCross BlueShield, United Healthcare, GHI/Value Options, and Caremark. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided:

The OPEB Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute 50% for individual or family coverage, 74% of individual, and 59% of family coverage for other bargaining units, and 0% of the premiums for surviving spouses. The District recognizes the cost of the OPEB Plan annually as expenditures in the fund financial statements as payments are accrued. For measurement period ending June 30, 2026, the District contributed an estimated $17,592,828 to the Plan, including $17,592,828 for current premiums and $0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund the OPEB Plan by any other means than the "pay as you go" method.

Employees Covered by Benefit Terms:

At July 1, 2025, the following employees were covered by the benefit terms:

Covered members	Count
Active	1,441
Retirees	1,108
Spouses of retirees	454
Surviving spouses	52
Total	3,055

Total OPEB Liability:

The District's total OPEB liability of $451,815,947 was measured as of June 30, 2026 and was determined by an actuarial valuation as of July 1, 2025.

Actuarial Assumptions and Other Inputs:

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

Inflation	2.40%
Salary increases	2.40%, including inflation
Discount rate at measurement date	4.67%
Healthcare cost trend rates	Pre-65 5.90% and post-65 6.10%, decreasing to 3.80%
Retiree share of costs	Per plan benefit terms

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. Trend rates are based on industry surveys.

Mortality rates were based on the PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality for Non-Teaching positions, both generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

The actuarial assumptions used in the July 1, 2025 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable. The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

Changes in total OPEB liability:

Balance June 30, 2025	$ 389,425,544
Service cost	13,947,995
Interest	20,523,807
Demographic gains/losses	9,314,236
Assumption changes/input	36,197,193
Benefit payments	(17,592,828)
Balance June 30, 2026	$ 451,815,947

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

The following presents the total OPEB liability of the District, calculated using the discount rate of 4.67%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.67%) or 1-percentage-point higher (5.67%) than the current discount rate:

	1% Decrease (3.67%)	Current Rate (4.67%)	1% Increase (5.67%)
Total OPEB liability	$ 517,642,098	$ 451,815,947	$ 398,048,754

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

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

	1% Decrease	Current	1% Increase
Total OPEB liability	$ 389,180,387	$ 451,815,947	$ 530,721,101

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2026, the District recognized OPEB expense of $24,966,458. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 17,762,046	3,349,099
Changes of assumptions or other inputs	36,911,188	60,891,933
Total	$ 54,673,234	64,241,032

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 30,	
2027	$ (9,686,273)
2028	(3,075,273)
2029	(5,259,356)
2030	(355,560)
2031	7,340,553
Thereafter	1,468,111
	$ (9,567,798)

NOTE 15 – RISK MANAGEMENT:

A) General:

The 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 three years.

B) Pool, Risk Sharing:

The District participates in a risk-sharing pool, the Rockland County Schools Cooperative Workers' Compensation Self-Insurance Plan (the Plan), to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation Claims.

The District pays an annual premium to the pool for its workers' compensation claims coverage. The Plan has obtained an excess compensation insurance policy to buffer the effect that a single large claim may have on the Plan. Although excess compensation insurance permits recovery of a portion of such losses from the insurance carrier, it does not discharge the Plan's responsibility for payment of the claim.

The Plan established a liability for both reported and unreported insured events, which includes estimates of both future payments or losses and related claim adjustment expenses. However, because actual claim costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made.

The Plan's total liability for unbilled and opened claims at June 30, 2026 is $17,246,808. Of this total undiscounted liability, $3,868,977 is associated with the District. During the year ended June 30, 2026, the District's contribution to the Plan was $976,042. As of June 30, 2026, the District has workers' compensation reserve balance of $3,534,949.

The Plan has issued financial statements for the year ended June 30, 2026. Copies of these statements can be obtained from the District's administrative office. For its health insurance coverage, the District is a participant in the New York State Employees Health Insurance Plan, a public entity risk pool operated for New York State, local government and school district employers and employees. The Plan is considered a self-sustaining risk pool and the District has essentially transferred all risk to the pool.

NOTE 16 - TAX ABATEMENTS:

The Towns of Rampo and Clarkstown, under the authority of Section 577 of Private Housing Finance Law, entered into property tax abatement programs with various housing developmental companies for the purpose of economic development, and general prosperity and economic welfare of the Towns. The amount of property tax revenue that was reduced as a result of these programs is not material. The District received payment in lieu of taxes (PILOT) payments totaling $525,983.

NOTE 17 - COMMITMENTS AND CONTINGENCIES:

A) Encumbrances

All encumbrances are classified as assigned fund balance. At June 30, 2026 the District had $10,280,397 in general fund encumbrances.

B) Grants

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

C) Litigation

The District is involved in lawsuits arising from the normal conduct of its affairs. Some of these lawsuits seek damages which may be in excess of the District's insurance coverage. However, it is not possible to determine the District's potential exposure, if any, at this time.

D) Debt Default

Upon default of the payment of principal or interest on the bonds and/or bond anticipation notes of the District, the bond holders have the right to litigate and the New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance of the District and apply the amount so withheld to the payment of the defaulted principal or interest with respect to the bonds and/or bond anticipation notes.

NOTE 18 – CERTAIN RISK DISCLOSURES

A. Limitations on Raising Revenue

The District's ability to raise revenue through property taxes is subject to Article VIII of the New York State Constitution and the Real Property Tax Law, including the property tax levy limit (tax cap) imposed by Chapter 97 of the Laws of 2011. The annual increase in the property tax levy cannot exceed the lesser of 2% or change in the consumer price index, unless approved by a 60% supermajority of the taxpayers.

B. Limitations on Spending

Expenditures must be authorized in accordance with the annual budget adopted by the District, pursuant to New York State General Municipal Law (GML) and local charter provisions. The District may not incur expenditures in excess of appropriations, except for legally authorized emergency expenditures.

C. Limitations on the Incurrence of Debt

The District is subject to a constitutional debt limit, which is 10% of the full value on the most recent tax roll. The debt limit for may be exceeded if authorized by 60% of the voters and approved by the Board of Regents and the New York State Comptroller. All borrowings must be approved by a majority vote of the District's residents at a public referendum.

D. Concentration - Workforce Covered by Collective Bargaining Agreements

The District's workforce has collective bargaining agreements which dictate employment terms including payroll and related expenditures as well as benefits. The following is a summary of the District's significant collective bargaining agreements:

Collective Bargaining Unit	Expiration Date
East Ramapo Custodians Association	June 30, 2027
East Ramapo Resource Center Coordinator Association, NYSOT/NEA/AFT/AFL-CIO	June 30, 2027
East Ramapo CSD Supervisors of Business Services Staff Unit	June 30, 2027
East Ramapo Teachers Association	June 30, 2026

NOTE 19 – ECONOMIC CONDITION:

The ability of the District to maintain sufficient fund balance is highly dependent upon a few revenue sources and feasible budgetary estimates. Additionally, in recent years, the District received COVID-19 related Federal funding. As of June 30, 2025, this has been fully utilized. For the year ended June 30, 2025, the District expended $323,143,766 and $116,182,320 in the General Fund and Special Aid Fund, respectively, which is when the COVID-19 funding expired. For the year ended June 30, 2026, the District expended $353,068,787 and $78,111,432 in the General Fund and Special Aid Fund, respectively. Additionally, New York State has designated the District as a District in fiscal stress in eight of the last thirteen years. Management of the District should continue to monitor and evaluate how to manage these expenditures.

NOTE 20 – SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through the date of this report and concluded that there no subsequent events which require disclosure in the notes to financial statements.

EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Original Budget	Variance	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Actual
REVENUES					
Local Sources					
Real property taxes	$ 162,801,802	$ -	$ 162,801,802	$ 156,762,479	$ (6,039,323)
Other tax items - including STAR reimbursements	467,332	-	467,332	5,452,056	4,984,724
Charges for services	290,000	-	290,000	723,415	433,415
Use of money and property	3,500,000	-	3,500,000	2,874,543	(625,457)
Sale of property and compensation for loss	35,000	-	35,000	72,681	37,681
Miscellaneous	1,500,000	3,227	1,503,227	418,773	(1,084,454)
Total Local Sources	168,594,134	3,227	168,597,361	166,303,947	(2,293,414)
State Sources					
Basic aid	167,379,121	-	167,379,121	138,670,937	(28,708,184)
Excess cost aid	-	-	-	11,513,179	11,513,179
Lottery aid	-	-	-	19,678,164	19,678,164
BOCES aid	-	-	-	4,641,212	4,641,212
Tuition aid	-	-	-	1,485,993	1,485,993
Textbook aid	-	-	-	2,528,691	2,528,691
Computer hardware/software aid	-	-	-	793,522	793,522
Library material aid	-	-	-	245,320	245,320
Other state aid	-	-	-	596,498	596,498
Total State Sources	167,379,121	-	167,379,121	180,153,516	12,774,395
Medicaid reimbursement	400,000	-	400,000	546,467	146,467
Federal Sources	-	-	-	47,588	47,588
Total Medicaid reimbursement and federal sources	400,000	-	400,000	594,055	194,055
OTHER FINANCING SOURCES					
Operating transfers in	53,055	-	53,055	-	(53,055)
TOTAL REVENUES AND OTHER FINANCING SOURCES	336,426,310	3,227	336,429,537	$ 347,051,518	$ 10,621,981
APPROPRIATED FUND BALANCE					
Appropriated Fund Balance	11,862,563	10,993,282	22,855,845		
Prior Year's Encumbrances	-	867,634	867,634		
TOTAL REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE	$ 348,288,873	$ 11,864,143	$ 360,153,016		

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Original Budget	Variance	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Actual and Encumbrances
EXPENDITURES					
General support					
Board of education	$ 507,955	$ 8,570	$ 499,385	$ 532,446	$ (33,061)
Central administration	797,483	176,933	620,550	539,047	81,503
Finance	2,364,632	(73,771)	2,438,403	2,234,906	203,497
Staff	2,572,897	(160,512)	2,733,409	2,354,627	378,782
Central services	22,678,428	(1,405,944)	24,084,372	29,391,564	(5,307,192)
Special items	4,452,490	337,930	4,114,560	3,561,814	552,746
Total general support	33,373,885	(1,116,794)	34,490,679	38,614,404	(4,123,725)
Instruction					
Instruction, administration & improvement	15,231,803	(78,000)	15,309,803	14,514,028	795,775
Teaching - regular school	71,780,971	823,276	70,957,695	69,270,979	1,686,716
Programs for students with disabilities	59,863,273	665,231	59,198,042	48,419,911	10,778,131
Occupational education	1,616,462	-	1,616,462	1,553,916	62,546
Instructional media	4,013,035	(1,027,485)	5,040,520	4,483,866	556,654
Pupil services	15,797,630	(232,880)	16,030,510	17,375,030	(1,344,520)
Total Instruction	168,303,174	150,142	168,153,032	155,617,730	12,535,302
Pupil transportation	67,650,148	(9,881,200)	77,531,348	81,035,410	(3,504,062)
Community services	345,181	(7,000)	352,181	345,878	6,303
Employee benefits	69,007,372	(1,009,291)	70,016,663	67,297,016	2,719,647
Debt service					
Debt service principal	2,475,000	-	2,475,000	2,475,000	-
Debt service interest	1,884,113	-	1,884,113	1,884,112	1
Total debt service	4,359,113	-	4,359,113	4,359,112	1
OTHER FINANCING USES					
Transfers to other funds	5,250,000	-	5,250,000	5,799,237	(549,237)
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 348,288,873	$ (11,864,143)	$ 360,153,016	353,068,787	$ 7,084,229
Net change in fund balance				(6,017,269)	
Fund balance - beginning				74,844,252	
Fund balance - ending				$ 68,826,983	

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30,*

Total OPEB Liability	2026	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 13,947,995	$ 16,159,836	$ 17,010,591	$ 15,381,339	$ 17,409,877	$ 17,996,653	$ 14,410,134	$ 14,324,306	$ 13,907,093
Interest	20,523,807	17,755,645	15,826,900	13,938,361	9,431,705	9,309,827	13,798,640	12,308,197	11,919,040
Differences between expected and actual experience	9,314,236	-	19,579,239	-	(20,094,604)	-	(9,130,787)	-	28,241
Changes of assumptions or other inputs	36,197,193	(72,084,557)	(17,918,007)	24,024,928	(32,675,912)	3,196,404	18,350,899	(29,119,405)	-
Benefit payments	(17,592,828)	(15,932,711)	(15,014,367)	(15,186,594)	(14,779,560)	(14,265,855)	(13,700,566)	(13,567,606)	(13,035,691)
Net change in total OPEB liability	62,390,403	(54,101,787)	19,484,356	38,158,034	(40,708,494)	16,237,029	23,728,320	(16,054,508)	12,818,683
Total OPEB liability - beginning	389,425,544	443,527,331	424,042,975	385,884,941	426,593,435	410,356,406	386,628,086	402,682,594	389,863,911
Total OPEB liability - ending	$451,815,947	$389,425,544	$443,527,331	$424,042,975	$385,884,941	$426,593,435	$410,356,406	$386,628,086	$402,682,594
District's covered payroll	$137,128,686	$113,747,005	$113,747,005	$110,549,306	$110,549,306	$108,770,475	$108,770,475	$105,464,656	$105,464,656
Contributions as a percentage of covered payroll	329.48%	342.36%	389.92%	383.58%	349.06%	392.20%	377.27%	366.59%	381.82%
Discount Rate	4.67%	5.20%	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%

Notes to Schedule:

Trust Assets:

There are no assets accumulated that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits

Changes of Assumptions:

Changes of assumptions or other inputs reflect the effects of changes in the discount rate each period.

The amounts presented for each fiscal year were determined as of the measurement date of the plan.

EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
FOR THE FISCAL YEARS ENDED JUNE 30,*
(Dollar amounts in thousands)

NYSERS Pension Plan

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportionate share of the net pension asset/(liability)	0.03904%	0.03790%	0.03646%	0.04188%	0.04293%	0.04599%	0.04758%	0.05195%	0.05471%	0.05316%
District's proportionate share of the net pension asset/(liability)	$ (2,203)	$ (6,499)	$ (5,369)	$ (8,980)	$ 3,509	$ (46)	$ (12,598)	$ (3,681)	$ (1,766)	$ (4,995)
District's covered payroll	$ 22,938	$ 18,826	$ 17,580	$ 15,868	$ 16,739	$ 17,206	$ 18,297	$ 18,252	$ 18,675	$ 18,293
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	9.60%	34.52%	30.54%	56.59%	20.96%	0.27%	68.85%	20.17%	9.46%	27.31%
Plan fiduciary net position as a percentage of the total pension asset/(liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%

NYSTRS Pension Plan

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportionate share of the net pension asset/(liability)	0.64241%	0.57932%	0.58343%	0.58801%	0.60525%	0.60116%	0.58429%	0.59013%	0.56964%	0.56611%
District's proportionate share of the net pension asset/(liability)	$ 38,037	$ 17,287	$ (6,672)	$ (11,283)	$ 104,883	$ (16,612)	$ 15,180	$ 10,671	$ 4,330	$ (6,063)
District's covered payroll	$ 132,634	$ 111,926	$ 108,707	$ 105,529	$ 103,680	$ 102,060	$ 97,537	$ 96,125	$ 90,340	$ 87,640
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	28.68%	15.45%	6.14%	10.69%	101.16%	16.28%	15.56%	11.10%	4.79%	6.92%
Plan fiduciary net position as a percentage of the total pension asset/(liability	104.00%	102.08%	99.17%	98.60%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%

* The amounts presented for each fiscal year were determined as of the measurement date of the plans.

** Notes to Required Supplementary Information

EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)

NYSERS Pension Plan

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 3,044	$ 2,526	$ 2,066	$ 2,246	$ 3,238	$ 2,994	$ 2,914	$ 3,037	$ 3,148	$ 2,529
Contributions in relation to the contractually required contribution	3,044	2,526	2,066	2,246	3,238	2,994	2,914	3,037	3,148	2,529
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 22,938	$ 18,826	$ 17,580	$ 15,868	$ 16,683	$ 17,458	$ 17,938	$ 18,126	$ 18,782	$ 17,755
Contributions as a percentage of covered payroll	13.27%	13.42%	11.75%	14.15%	19.41%	17.15%	16.24%	16.75%	16.76%	14.24%

NYTRS Pension Plan

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 12,720	$ 12,730	$ 10,797	$ 11,084	$ 10,209	$ 9,765	$ 9,029	$ 10,358	$ 9,420	$ 10,588
Contributions in relation to the contractually required contribution	12,720	12,730	10,797	11,084	10,209	9,765	9,029	10,358	9,420	10,588
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 132,634	$ 128,702	$ 111,926	$ 108,707	$ 105,529	$ 103,680	$ 102,060	$ 97,537	$ 96,126	$ 90,340
Contributions as a percentage of covered payroll	9.59%	9.89%	9.65%	10.20%	9.67%	9.42%	8.85%	10.62%	9.80%	11.72%

See Paragraph on Required Supplementary Information Included in Auditor's Report

EAST RAMAPO CENTRAL SCHOOL DISTRICT
Notes to Required Supplementary Information
June 30, 2026

(1) Required Information

The budgetary comparison schedules present comparisons of the original and final adopted budget and comparisons of the final budget and actual results for the General Fund and each major special revenue fund with a legally adopted annual budget. The budgetary basis of accounting is substantially the same as the basis of accounting used in preparing the fund financial statements.

The budgetary comparison schedules are required supplementary information under Governmental Accounting Standards Board Statement No. 34 and are not required part of the basic financial statements. The schedules are intended to demonstrate compliance with the legally adopted budget.

(2) Significant Budgetary Changes

	Original Budget	Final Budget	Actual (Budgetary Basis)
Real property taxes	$ 162,801,802	162,801,802	156,762,479
Other tax items - including STAR reimbursements	467,332	467,332	5,452,056
State sources:			
Basic aid	167,379,121	167,379,121	138,670,937
Excess cost aid	-	-	11,513,179
Lottery aid	-	-	19,678,164
BOCES aid	-	-	4,641,212
Tuition aid	-	-	1,485,993
Textbook aid	-	-	2,528,691
General support - central services	22,678,428	24,084,372	29,391,564
Instruction:			
Teaching - regular school	71,780,971	70,957,695	69,270,979
Programs for students with disabilities	59,863,273	59,198,042	48,419,911
Pupil transportation	67,650,148	77,531,348	81,035,410
Employee benefits	69,007,372	70,016,663	67,297,016

- Real property taxes and other tax items - including STAR reimbursements did not change from the original to the final budget. The changes from the final budget to the actual (budgetary basis) were primarily driven by New York State (the State) determining and paying residents for STAR reimbursements which were original budgeted for in the real property tax line.

(2) Significant Budgetary Changes, Continued

- State sources did not change from the original to the final budget. The changes from the final budget to the actual (budgetary basis) were primarily driven by a change in the allocation from a single financial statement line to include the different funding sources, and an overall increase in the basic aid by approximately $11 million for changes in the formula determined by the State.
- General support - central services changed from the original budget to the final budget primarily due to unanticipated contractual expenditures. The changes from the final budget to the actual (budgetary basis) were primarily driven by unanticipated BOCES contractual expenditures.
- Teaching - regular school changed from the original budget to the final budget and the final budget to the actual (budgetary basis) due to the reallocation of instruction salaries across the various instruction budgetary basis lines.
- Programs for students with disabilities decreased from the original budget to the final budget due to a less that originally anticipated contractual costs. The changed from the final budget to the actual (budgetary basis) were driven by a decrease in the amount of BOCES contractual expenditures.
- Pupil transportation changed from the original budget to the final budget and the final budget to the actual (budgetary basis) due to an increase in the contractual costs, including fuel, for student transportation.
- Employee benefits changed from the original budget to the final budget as the District was anticipating an increase in health insurance costs due to industry trends. However, actual health insurance costs ended up lower that anticipated.

(3) Schedule of Changes in the District's Total OPEB Liability and Related Ratios

The Schedule of Changes in the District's Total OPEB Liability and Related Ratios is required to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

Changes of assumptions reflect the effects of changes in the discount rate each period.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

EAST RAMAPO CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$ 348,288,873
Add: Prior year's encumbrances	808,372
Original Budget	349,097,245
Budget Revisions	11,055,771
Final Budget	$ 360,153,016

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2026-27 voter-approved expenditure budget	$ 367,649,590
Maximum allowed (4% of 2026-27 budget)	$ 14,705,984
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:	
Unrestricted fund balance:	
Assigned fund balance	$ 22,142,960
Unassigned fund balance	21,604,808
Total unrestricted fund balance	43,747,768
Less:	
Appropriated fund balance	11,862,563
Encumbrances included in assigned fund balance	10,280,397
Total adjustments	22,142,960
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	$ 21,604,808
Actual percentage of 2026-27 budget	5.88%

* 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: unassigned 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.

EAST RAMAPO CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

			Expenditures				Methods of Financing					Fund
Project Title	Project #	Project Budget	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Sources	Federal Sources	Local Sources	Total	Balance June 30, 2026
Various District Improvements	Multiple	$ 14,347,900	$ 14,346,556	$ 246,073	$ 14,592,629	$ (244,729)	$ 7,180,000	$ 5,823,419	$ -	$ 1,253,104	$ 14,256,523	$ (336,106)
Kakiat Elementary School Steps, Curbs and Sidewalk Repairs	1318	128,000	125,440	-	125,440	2,560	-	-	-	128,000	128,000	2,560
Kakiat Elementary Construction (ARPA)	1325	3,688,056	3,383,387	439,216	3,822,603	(134,547)	-	-	3,383,387	-	3,383,387	(439,216)
Ramapo HS Roof Project	2219	1,138,566	1,133,416	-	1,133,416	5,150	-	1,000,000	-	130,000	1,130,000	(3,416)
Spring Valley HS Plumbing Upgrades	0319	28,495	28,495	-	28,495	-	-	-	-	-	-	(28,495)
Spring Valley HS Asbestos Abatement	0325	4,192,208	4,036,360	-	4,036,360	155,848	-	-	4,036,360	-	4,036,360	-
CRMS Windows	3418	3,333	2,333	-	2,333	1,000	-	2,333	-	-	2,333	-
CRMS Pipe Break	3419	89,544	84,315	-	84,315	5,229	-	-	-	89,544	89,544	5,229
CRMS Corridor/Ceiling (SAM)	3420	3,354	3,354	-	3,354	-	-	-	-	-	-	(3,354)
CRMS Asbestos Abatement	3424	2,010,755	2,273,955	-	2,273,955	(263,200)	-	-	-	2,195,145	2,195,145	(78,810)
Eldorado Masonry (SAM)	3715	102,414	94,362	-	94,362	8,052	-	71,819	-	-	71,819	(22,543)
Fleetwood Courtyard/Playground (SAM)	1416	104,478	101,437	-	101,437	3,041	-	73,882	-	-	73,882	(27,555)
Fleetwood Asbestos Abatement	1417	80,651	80,651	-	80,651	-	-	-	-	80,651	80,651	-
Margetts Windows/Doors/Playground (SAM)	2012	91,263	73,201	-	73,201	18,062	-	71,818	-	-	71,818	(1,383)
Margetts Construction (ARPA)	2016	1,632,640	1,622,169	-	1,622,169	10,471	-	-	1,622,169	-	1,622,169	-
Elmwood Doors/Playground (SAM)	3014	100,866	97,825	-	97,825	3,041	-	70,270	-	-	70,270	(27,555)
Elmwood Construction (ARPA)	3018	1,984,985	2,339,932	-	2,339,932	(354,947)	-	-	2,339,932	-	2,339,932	-
Elmwood Emergency Entrance	9004	535,334	60,000	-	60,000	475,334	-	-	-	535,334	535,334	475,334
Lime Kiln Emergency Electric Project	2718	106,800	123,895	-	123,895	(17,095)	-	-	-	106,800	106,800	(17,095)
ARPA Phase 1	Multiple	9,749,001	30,003,536	-	30,003,536	(20,254,535)	-	-	30,003,536	-	30,003,536	-
ARPA Phase 3	Multiple	15,660,561	32,139,315	-	32,139,315	(16,478,754)	-	-	32,139,315	-	32,139,315	-
Pomona Construction (ARPA)	8022	3,875,093	4,051,595	-	4,051,595	(176,502)	-	-	4,051,595	-	4,051,595	-
Kitchen (ARPA)	9005	13,243,613	13,229,423	-	13,229,423	14,190	-	-	13,229,423	-	13,229,423	-
SVHS Auditorium Upgrade (SAM)	3019	4,695	4,644	-	4,644	51	-	4,644	-	-	4,644	-
SVHS Heating/Ventilation (SAM)	319A	132,343	129,028	-	129,028	3,315	-	99,058	-	-	99,058	(29,970)
Fleetwood - I-Beam	2401	89,500	85,814	15,000	100,814	(11,314)	-	-	-	89,500	89,500	(11,314)
Grandview - I-Beam	2402	61,500	61,282	-	61,282	218	-	-	-	61,500	61,500	218
Summit Park - I-Beam	2403	60,000	56,198	-	56,198	3,802	-	-	-	60,000	60,000	3,802
Admin Building Archive Room	5015	46,608	39,542	-	39,542	7,066	-	-	-	46,608	46,608	7,066
Ramapo HS Auditorium	2027	2,340,800	-	2,024,023	2,024,023	316,777	-	-	-	2,340,800	2,340,800	316,777
2023-2024 Unallocated Transfer		4,005,797	-	-	-	4,005,797	-	-	-	4,005,797	4,005,797	4,005,797
SSBA - School Connectivity	7902	1,949,672	2,841,962	-	2,841,962	(892,290)	-	1,763,627	-	-	1,763,627	(1,078,335)
SSBA - Nonpublic Loan	7903	700,000	1,086,261	1,568	1,087,829	(387,829)	-	-	-	-	-	(1,087,829)
SSBA Class Tech	79B2	459,000	441,390	-	441,390	17,610	-	412,672	-	-	412,672	(28,718)
General Construction Projects 25-26	2526	5,000,000	-	2,530,112	2,530,112	2,469,888	-	-	-	5,000,000	5,000,000	2,469,888
ARPA Paving Project	2503	1,651,000	-	1,651,000	1,651,000	-	-	-	-	-	-	(1,651,000)
FY2026 SSBA reimbursement allocated to project 7902 above	Financing only	-	-	-	-	-	-	-	-	-	-	-
FY2026 other miscellaneous — standalone budget and financing	Financing only	549,237	-	-	-	549,237	-	-	-	549,237	549,237	549,237
Energy performance contract	5902	12,100,129	-	-	-	12,100,129	12,100,129	-	-	-	12,100,129	12,100,129
Subtotal Other Projects		102,048,191	114,181,073	6,906,992	121,088,065	(19,039,874)	19,280,129	9,393,542	90,805,717	16,672,020	136,151,408	15,063,343
2016 Bond Projects												
Spring Valley HS Roof and Field Bond	0321	8,695,065	6,433,360	-	6,433,360	2,261,705	7,049,570	383,091	-	1,262,404	8,695,065	2,261,705
Spring Valley HS Windows	0322	1,537,464	1,355,418	-	1,355,418	182,046	1,537,464	-	-	-	1,537,464	182,046
Spring Valley HS Paving Bond	0324	222,567	220,055	-	220,055	2,512	222,567	-	-	-	222,567	2,512
Admin Building Bdrm Upgrade	0512	774	774	-	774	-	774	-	-	-	774	-
Admin Roof Bond	0513	197,519	191,876	-	191,876	5,643	178,546	-	-	18,973	197,519	5,643
Admin Boiler and Flooring Bond	0514	2,349,654	2,060,792	-	2,060,792	288,862	2,349,654	-	-	-	2,349,654	288,862
Hempstead Boilers	0616	1,010,678	854,514	-	854,514	156,164	1,010,678	-	-	-	1,010,678	156,164
Hempstead Roof	0617	881,804	837,262	-	837,262	44,542	881,804	-	-	-	881,804	44,542
Hempstead Paving Bond	0618	207,927	205,135	-	205,135	2,792	207,927	-	-	-	207,927	2,792
PMS Roof Bond	0819	2,611,114	2,556,027	-	2,556,027	55,087	2,349,403	-	-	261,711	2,611,114	55,087
PMS Boiler Bond	0820	996,406	958,257	-	958,257	38,149	996,406	-	-	-	996,406	38,149
PMS Paving Bond	0821	161,319	158,435	-	158,435	2,884	161,319	-	-	-	161,319	2,884
Bus Garage Fuel Tank Demo	1011	36,165	31,165	-	31,165	5,000	36,165	-	-	-	36,165	5,000
Kakiat Window Replacement	1320	75,000	53,497	-	53,497	21,503	75,000	-	-	-	75,000	21,503
Kakiat Air Handling	1321	902,406	851,857	-	851,857	50,549	902,406	-	-	-	902,406	50,549
Kakiat 1st Floor Renovation	1322	497,693	474,899	-	474,899	22,794	59,181	-	-	438,512	497,693	22,794
Kakiat Roof/Boiler/Fan/Win	1323	6,834,586	6,178,057	-	6,178,057	656,529	6,834,586	-	-	-	6,834,586	656,529
Kakiat Interior Reno	1324	2,085,740	2,072,025	-	2,072,025	13,715	2,085,740	-	-	-	2,085,740	13,715
Fleetwood Roof Bond	1419	357,385	355,855	-	355,855	1,530	323,501	-	-	33,884	357,385	1,530
Fleetwood Window Replacement	1420	9,375	7,072	-	7,072	2,303	9,375	-	-	-	9,375	2,303
Fleetwood Boilers	1421	1,378,629	1,154,380	-	1,154,380	224,249	1,378,629	-	-	-	1,378,629	224,249
Fleetwood Windows Bond	1422	1,296,624	1,273,567	-	1,273,567	23,057	1,296,624	-	-	-	1,296,624	23,057
Summit Park Roof	1516	1,484,066	1,478,535	-	1,478,535	5,531	1,414,762	69,304	-	-	1,484,066	5,531
Summit Park Window Bond	1517	1,428,933	1,087,362	-	1,087,362	341,571	1,428,933	-	-	-	1,428,933	341,571
Summit Park Boiler Bond	1518	1,017,090	982,378	-	982,378	34,712	1,017,090	-	-	-	1,017,090	34,712
Summit Park Paving Bond	1519	90,007	87,403	-	87,403	2,604	90,007	-	-	-	90,007	2,604
Grandview Boilers	1614	671,058	569,265	-	569,265	101,793	671,058	-	-	-	671,058	101,793
Grandview Roof	1615	812,013	762,314	-	762,314	49,699	812,013	-	-	-	812,013	49,699
Margetts Roof	2013	846,660	792,603	-	792,603	54,057	846,660	-	-	-	846,660	54,057
RHS Field & Boiler	2220	8,550,213	6,170,550	-	6,170,550	2,379,663	7,633,948	-	-	916,265	8,550,213	2,379,663
RHS Windows Bond	2221	187,500	131,250	-	131,250	56,250	187,500	-	-	-	187,500	56,250
RHS Paving Bond	2222	284,527	273,553	-	273,553	10,974	284,527	-	-	-	284,527	10,974
Lime Kiln Air Handling	2715	22,710	22,710	-	22,710	-	22,710	-	-	-	22,710	-
Lime Kiln Roof	2716	828,397	794,639	-	794,639	33,758	828,397	-	-	-	828,397	33,758
Lime Kiln Paving Bond	2717	129,627	126,975	-	126,975	2,652	129,627	-	-	-	129,627	2,652
Elmwood Boiler Replacement	3015	781,628	778,445	-	778,445	3,183	708,746	-	-	72,882	781,628	3,183
Elmwood Roof Bond	3016	585,313	555,765	-	555,765	29,548	585,313	-	-	-	585,313	29,548
CRMS Roof, Boiler, AHU, Fan	3421	6,788,102	6,752,307	-	6,752,307	35,795	6,788,102	-	-	-	6,788,102	35,795
CRMS Interior Renovations	3422	1,148,103	844,093	-	844,093	304,010	957,103	150,000	-	41,000	1,148,103	304,010
CRMS Paving Bond	3423	126,327	123,681	-	123,681	2,646	126,327	-	-	-	126,327	2,646
Eldorado Window Replacement	3716	295,259	281,464	-	281,464	13,795	295,259	-	-	-	295,259	13,795
Eldorado Roof Windows	3717	565,960	536,221	-	536,221	29,739	565,960	-	-	-	565,960	29,739
Eldorado Paving Bond	3718	168,307	165,563	-	165,563	2,744	168,307	-	-	-	168,307	2,744
SVHS Press Box	5601/56A1	144,469	128,112	-	128,112	16,357	29,893	114,576	-	-	144,469	16,357
RHS Press Box	5701/57A1	140,086	129,714	-	129,714	10,372	140,086	-	-	-	140,086	10,372
SVHS Concession Stands	5801	412,590	401,402	-	401,402	11,188	412,590	-	-	-	412,590	11,188
RHS Concession Stands	5901	358,609	332,607	-	332,607	26,002	358,609	-	-	-	358,609	26,002
Unallocated 2016 bond costs	N/A	461,502	556,596	-	556,596	(95,094)	461,502	-	-	-	461,502	(95,094)
Subtotal 2016 Bond Projects		60,674,950	53,149,786	-	53,149,786	7,525,164	56,912,348	716,971	-	3,045,631	60,674,950	7,525,164
Total		$ 162,723,141	$ 167,330,859	$ 6,906,992	$ 174,237,851	$ (11,514,710)	$ 76,192,477	$ 10,110,513	$ 90,805,717	$ 19,717,651	$ 196,826,358	$ 22,588,507

See Paragraph on Other Information Included in Auditor's Report

EAST RAMAPO CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2026

Capital assets, net		$ 158,125,150
Add - unspent debt proceeds		12,100,129
Deduct:		
Accounts payable - capital projects fund	$ (113,687)	
Short-term portion of bonds payable, including premiums	(2,673,316)	
Long-term portion of bonds payable, including premiums	(38,511,839)	
Short-term portion of energy performance contract	(625,453)	
Long-term portion of energy performance contract	(11,474,676)	
		(53,398,971)
Net investment in capital assets		$ 116,826,308

See Paragraph on Other Information Included in Auditor's Report

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INDEPENDENT AUDITORS' 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

The Board of Education
East Ramapo Central 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 East Ramapo Central School District (the District), as of and for the year ended June 30, 2026, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 20, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2026-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and responses as item 2026-002.

The District's Response to the Findings

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

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

EFPR Group, CPAs, PLLC

Williamsville, New York
October 20, 2026

EAST RAMAPO CENTRAL SCHOOL DISTRICT

Schedule of Findings and Responses

Year ended June 30, 2026

Finding 2026-001 Significant Audit Adjusting Journal Entries

Criteria - Internal control over financial reporting should be in place to ensure financial information is fairly presented in accordance with accounting principles generally accepted in the United States.

Condition - During our audit, we noted the District did not correctly record or classify transactions for certain balance sheet accounts at year-end.

Cause - A significant number of asset and liability accounts were not reconciled prior to presenting year-end trial balances to the auditors.

Effect of Condition - The District does not have accurate financial records without the support of adjusting audit journal entries.

Repeat Finding - This is a repeat finding of item 2025-001 as reported for the year ended June 30, 2025.

Recommendation - We recommend that significant asset and liability accounts be reconciled at year-end and ensure that the records have proper supporting documentation.

View of Responsible Officials and Planned Corrective Actions - The District's response is included in their corrective action plan.

Finding 2026-002 New York State Real Property Tax Law §1318 - Noncompliance

Criteria - New York State (NYS) Real Property Tax Law §1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget of the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts assigned for the subsequent year and encumbrances are also excluded from the 4% limitation.

Condition - The District's unrestricted fund balance at June 30, 2026 after excluding amounts assigned for the subsequent year end and encumbrances, was in excess of the NYS Real Property Tax Law §1318 limit. For the year ended June 30, 2026, this portion of the District's unrestricted fund balance was $21,604,808, which is 5.88% of the 2026-2027 voter approved General Fund budget.

Cause - Expenditures were less than budgeted for several years.

Effect of Condition - The District is not in compliance with NYS Real Property Tax Law §1318.

Repeat Finding - This is a repeat finding of item 2025-003 as reported for the year ended June 30, 2025.

Recommendation - We recommend that the District develop a plan to rationally appropriate unassigned fund balance so as to be in compliance with NYS Real Property Tax Law §1318.

View of Responsible Officials and Planned Corrective Actions - The District's response is included in their corrective action plan.

EAST RAMAPO CENTRAL SCHOOL DISTRICT

Status of Prior Year Audit Findings

Year ended June 30, 2026

(2025-001) Accounts Payable

Condition - The District did not correctly record or classify transactions for accounts payable.

Status - Expanded in the current year as finding 2026-001.

(2025-002) Personnel Files

Condition - The District's personnel files were missing documentation.

Status - In the current year, all personnel files had the required documentation. This finding is resolved.

(2025-003) NYS Real Property Tax Law §1318

Condition - The District's General Fund unrestricted fund balance was in excess of 4% of the 2025-2026 voter approved General Fund budget.

Status - Repeated in the current year as finding 2026-002.

EAST RAMAPO CENTRAL SCHOOL DISTRICT

Corrective Action Plan

Year ended June 30, 2026

Name of Auditee: East Ramapo Central School District

Name of Audit Firm: EFPR Group, CPAs, PLLC

Period Covered by the Audit: Year ended June 30, 2026

CAP Prepared by: Eric Stark, Assistant Superintendent for Business

Phone: 845-577-6000

(A) Current Finding on the Schedule of Findings and Responses

(1) Audit Finding 2026-001

(a) Comments on the Finding and Recommendation: The District agrees with the finding. The District also agrees with the recommendation. See below for actions taken.

(b) Actions Taken: Management will reconcile balance sheet accounts at year-end to ensure accounting records accurately reflect appropriate balances.

(c) Anticipated Completion Date: Management anticipates this finding will be resolved by June 30, 2027.

(2) Audit Finding 2026-002

(a) Comments on the Finding and Recommendation: The District agrees with the finding. The District also agrees with the recommendation. See below for actions taken.

(b) Actions Taken: Management will review appropriation of unrestricted fund balance to be in compliance with New York State Real Property Tax Law §1318.

(c) Anticipated Completion Date: Management anticipates this finding will be resolved by June 30, 2027.