NYACK UNION FREE SCHOOL DISTRICT

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

June 30, 2026

NYACK UNION FREE SCHOOL DISTRICT

Table of Contents

	Page
Independent Auditors' Report	1 - 3
Management's Discussion And Analysis	4 - 14
Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Balance Sheet - Governmental Funds	17
Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Position	18
Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds	19
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds to the Statement of Activities	20
Statement of Changes in Net Position - Fiduciary Fund	21
Notes to Financial Statements	22 - 55
Required Supplementary Information:	
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	56 -57
Schedule of District's Proportionate Share of Net Pension (Asset)/Liability	58
Schedule of Employer's Pension Contributions	59
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	60
Notes to Required Supplementary Information	61 - 62
Other Supplementary Information:	
Combining Balance Sheet - Nonmajor Governmental Funds	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	64
Schedule of Changes from Adopted Budget to Final Budget and the Real Property Tax Law Limit Calculation	65
Schedule of Project Expenditures - Capital Projects Fund	66
Schedule of Net Investment in Capital Assets	67
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	68 - 69

* * * * * *

EFPR GROUP, CPAs PLLC
Certified Public Accountants

6390 Main Street, Suite 200
Williamsville, New York 14221

P 716.634.0700
TF 800.546.7556
W EFPRadvisory.com

INDEPENDENT AUDITORS' REPORT

The Board of Education
Nyack Union Free School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nyack Union Free School District (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 56 through 62 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 are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 26, 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 the District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 26, 2026

OVERVIEW OF THE FINANCIAL STATEMENTS

The following is a discussion and analysis of the Nyack Union Free 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/amortize capital assets and allocate the depreciation/amortization 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/amortization 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	$ 83,484,986	83,148,321	336,665
Capital assets	78,074,698	70,372,726	7,701,972
Total assets	161,559,684	153,521,047	8,038,637
Deferred outflows of resources	32,080,385	25,994,454	6,085,931
Liabilities:			
Other liabilities	10,877,990	10,834,138	43,852
Long-term liabilities	117,148,967	104,388,401	12,760,566
Total liabilities	128,026,957	115,222,539	12,804,418
Deferred inflows of resources	34,087,897	35,328,846	(1,240,949)
Net position:			
Net investment in capital assets	67,949,922	57,699,038	10,250,884
Restricted	45,899,325	34,700,217	11,199,108
Unrestricted (deficit)	(82,324,032)	(63,435,139)	(18,888,893)
Total net position	$ 31,525,215	28,964,116	2,561,099

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	$ 256,432	192,953	63,479
Operating and capital grants and contributions	4,133,511	4,328,964	(195,453)
General revenue:			
Property and other taxes	80,976,959	79,163,204	1,813,755
State aid	25,428,275	22,509,677	2,918,598
Other	4,523,989	5,933,801	(1,409,812)
Total revenue	115,319,166	112,128,599	3,190,567
Expenses:			
General support	10,507,227	10,326,084	181,143
Instruction	93,197,553	93,697,263	(499,710)
Pupil transportation	7,172,769	6,951,633	221,136
Debt service - interest	168,674	234,586	(65,912)
Food service program	1,711,844	1,765,403	(53,559)
Total expenses	112,758,067	112,974,969	(216,902)
Change in net position	2,561,099	(846,370)	3,407,469
Net position at beginning of year	28,964,116	29,810,486	(846,370)
Net position at end of year	$ 31,525,215	28,964,116	2,561,099

DETAILED ANALYSES

District-Wide Financial Analysis

Other assets increased by $2,070,665 in 2026. Major contributors to the increase include:

- Unrestricted cash and equivalents increased by $7,371,157 as a result of revenue exceeding expenses.
- Net pension asset - proportionate share - TRS increased by $6,210,791 based on changes in the Plan's performance, changes in actuarial assumptions, and changes in the District's proportionate share.
- Offsetting the increase was a decrease in investments of $9,625,738 as a result of withdrawals used to fund capital projects.

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 $115,319,166 which is an increase from the prior year of $3,190,567. The most significant changes in revenue include:

- Property and other taxes increased by $1,813,755. This was driven by real property taxes as the District approved an increase in the real property tax levy of $1,476,239 which is a 1.87% increase.
- State aid increased by $2,918,598 or 13%. The increase was driven by an increase in the basic aid formula and excess cost aid of $1,966,313 and $547,707, respectively.
- Offsetting the increases, operating grants and contributions decreased $195,453 due to not receiving Title 1D grants.

For the District's year ended June 30, 2026 expenses totaled $112,758,067 which is a decrease from the prior year of $216,902. The most significant changes in expenses include:

- Instruction decreased $499,710. The decrease was due to changes in allocated benefits including OPEB and pensions.
- Pupil transportation increased $221,136. This increase was due to an increase in transportation contractual expenses.

Fund Financial Analysis

Governmental Funds Financial Analysis

Fund balance of the general fund increased $4,083,238 for the year ended June 30, 2026 to a total fund balance of $37,512,943. This increase was driven by the increase in the real property tax levy and the increase is State aid. State aid included increases in basic aid, excess cost aid, lottery aid, and BOCES aid. As of June 30, 2026, the general fund has $26,896,251 and $5,864,450 reported as restricted and assigned fund balance, respectively. These fund balances are reserved for future expenditures and commitments.

Fund balance of the capital projects fund decreased $10,249,874 for the year ended June 30, 2026 to a total fund balance of $12,101,884. This decrease was driven by the Valley Cottage Roof and Middle School Site projects. The fund had $10,951,214 of capital outlay expenditures but has not obtained long-term financing for the projects. The entire fund balance for the capital projects fund is restricted 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. Overall total revenue and expenditures decreased in this fund as COVID related grants have been fully utilized.

Fund balance of the school food service fund decreased $51,066 for the year ended June 30, 2026 to a total fund balance of $1,135,213. The reimbursement rate obtained from the Federal government increased from the prior year for both breakfast and lunch. Additionally, due to the new state law making all students eligible for free meals, more students are eating District provided meals as opposed to bringing their own food to school which decreased charges for services. As of June 30, 2026, the school food service fund reported a nonspendable fund balance of $25,006. This represents inventory and this fund balance cannot be spent as it is already earmarked for inventoriable expenditures.

Fund balance of the miscellaneous special revenue fund decreased $22,131 for the year ended June 30, 2026 to a total fund balance of $200,061. There was a decrease in extraclassroom activities at the High School Student council club and Middle school go club as expenses for trips increased from the prior year. The entire fund balance for the miscellaneous special revenue fund is restricted for extraclassroom and scholarship activities.

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 funds were collected and 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	$ 2,368,450	2,368,450	-
Construction in progress	19,199,632	9,907,374	9,292,258
Buildings and improvements	102,313,782	100,626,322	1,687,460
Machinery and equipment	3,103,473	2,980,549	122,924
Vehicles	148,478	136,894	11,584
Right-to-use asset	30,552	30,552	-
Accumulated depreciation/amortization	(49,089,669)	(45,677,415)	(3,412,254)
Total	$ 78,074,698	70,372,726	7,701,972

Significant capital asset activity included:

- Middle School and district office improvements $4,286,264.
- Valley Cottage Roof $2,037,775.
- Old Nyack High School boiler replacement and masonry $1,501,038.
- High School site improvements $1,302,220.

Long-Term Financing Activity

At June 30, 2026, the District had total long-term financing payable of $9,842,362. A summary of outstanding long-term financing as of June 30, 2026 and 2025 is as follows:

	2026	2025	Change
Bonds payable	$ 7,225,000	8,510,000	(1,285,000)
Premium on bonds payable	888,396	1,066,075	(177,679)
Installment purchase obligations	1,727,847	1,938,633	(210,786)
Lease payable	1,119	6,937	(5,818)
Total	$ 9,842,362	11,521,645	(1,679,283)

Significant long-term financing activity included:

- Paid principal on debt of $1,501,604 reducing the District's long-term obligations.

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 the period of 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 Department of Education, in 2024-2025, the District has enrollment of 2,820 and a graduation rate of 92%. A decade earlier, in 2014-2015, the District had enrollment of 2,958 and a graduation rate of 87%.

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.

The District's 2026-2027 adopted budget for the general fund includes anticipated expenditures of $116,532,245. The expenditures are to be funded through $82,176,269 of real property taxes, $29,454,132 of other revenue, and $4,901,844 of fund balance. Factors that have affected the 2026-2027 adopted budget include:

- The District's payroll expenditures for the year ended June 30, 2026 were $48,915,330. This amount is expected to increase by approximately 3% to adjust for scheduled raises. This would result in payroll expenditures of approximately $50,382,790 for the ensuing year. Social Security and other directly correlated expenditures are expected to increase as well.

- 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 it 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 Reserve 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%

- 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. Included in the State's 2025-2026 budgeted, included future State aid and increases of:

Year ending	Projected State aid (in millions)	Increase
2027	$ 40,297	4.18%
2028	42,494	3.90%
2029	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 $103,671,562 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.

NYACK UNION FREE SCHOOL DISTRICT
Statement of Net Position
June 30, 2026

Assets:	
Current assets:	
Cash and equivalents:	
Unrestricted	$ 13,487,211
Restricted	3,872,530
Investments:	
Unrestricted	21,178,847
Restricted	26,727,626
Accounts receivable	102,295
Due from other governments	1,264,819
Due from State and Federal	2,135,691
Lease receivable, current portion	1,027,146
Inventory	25,006
Prepaid expenses	90,952
Total current assets	69,912,123
Noncurrent assets:	
Lease receivable, net of current portion	1,103,472
Capital assets, nondepreciable	21,568,082
Capital assets, net of depreciation and amortization	56,506,616
Net pension asset - proportionate share - TRS	12,469,391
Total noncurrent assets	91,647,561
Total assets	161,559,684
Deferred outflows of resources:	
Employees' retirement system	844,285
Teachers' retirement system	15,948,998
Other postemployment benefits	15,287,102
Total deferred outflows of resources	32,080,385
Liabilities:	
Current liabilities:	
Accounts payable	4,491,531
Accrued liabilities	530,490
Due to other governments	100,080
Unearned revenue	26,328
Due to teachers' retirement system	4,988,670
Due to employees' retirement system	237,760
Bond interest accrual	11,730
Compensated absences	491,401
Bonds payable due within one year	1,350,000
Installment debt payable due within one year	215,191
Lease liability due within one year	1,119
Bond premium, due within one year	177,679
Retirement incentive obligation due within one year	986,091
Total current liabilities	13,608,070
Long-term liabilities:	
Bonds payable, net of current portion	5,875,000
Installment debt payable, net of current portion	1,512,656
Bond premium, net of current portion	710,717
Total other postemployment benefit liability	103,671,562
Net pension liability - proportionate share - ERS	463,498
Retirement incentive obligation	2,185,454
Total long-term liabilities	114,418,887
Total liabilities	128,026,957
Deferred inflows of resources:	
Employees' retirement system	875,225
Teachers' retirement system	9,954,434
Other postemployment benefits	21,378,717
Leases	1,879,521
Total deferred inflows of resources	34,087,897
Net position:	
Net investment in capital assets	67,949,922
Restricted	45,899,325
Unrestricted (deficit)	(82,324,032)
Total net position	$ 31,525,215

See accompanying notes to financial statements.

NYACK UNION FREE SCHOOL DISTRICT
Statement of Activities
Year ended June 30, 2026

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants	Program Revenue: Capital Grants	Net Expense and Changes in Net Position
Functions and programs:					
General support	$ 10,507,227	-	-	-	(10,507,227)
Instruction	93,197,553	185,389	2,580,220	1,340	(90,430,604)
Pupil transportation	7,172,769	-	-	-	(7,172,769)
Debt service - interest	168,674	-	-	-	(168,674)
Food service program	1,711,844	71,043	1,551,951	-	(88,850)
Total functions and programs	$ 112,758,067	256,432	4,132,171	1,340	(108,368,124)
General revenue:					
Real property taxes					77,110,712
Other tax items					3,866,247
Use of money and property					3,663,266
Sale of property and compensation for loss					3,617
Miscellaneous					753,612
State sources					25,428,275
Medicaid reimbursement					103,494
Total general revenue					110,929,223
Change in net position					2,561,099
Net position at beginning of year					28,964,116
Net position at end of year					$ 31,525,215

See accompanying notes to financial statements.

NYACK UNION FREE SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2026

Assets	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and equivalents:					
Unrestricted	$ 13,276,187	-	155,241	55,783	13,487,211
Restricted	3,721,808	-	-	150,722	3,872,530
Investments:					
Unrestricted	6,111,921	-	14,831,871	235,055	21,178,847
Restricted	23,174,443	-	-	3,553,183	26,727,626
Accounts receivable	88,243	-	-	14,052	102,295
Due from other funds	1,377,980	-	240,197	3,599,674	5,217,851
Due from other governments	1,264,819	-	-	-	1,264,819
Due from State and Federal	436,128	1,497,941	-	201,622	2,135,691
Lease receivable	2,130,618	-	-	-	2,130,618
Inventory	-	-	-	25,006	25,006
Prepaid expenditures	90,952	-	-	-	90,952
Total assets	$ 51,673,099	1,497,941	15,227,309	7,835,097	76,233,446
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Accounts payable	3,954,690	108,490	282,414	145,937	4,491,531
Accrued liabilities	1,511,254	5,327	-	-	1,516,581
Due to other funds	996,860	1,377,980	2,843,011	-	5,217,851
Due to other governments	100,000	-	-	80	100,080
Unearned revenue	-	6,144	-	20,184	26,328
Due to teachers' retirement system	4,988,670	-	-	-	4,988,670
Due to employees' retirement system	237,760	-	-	-	237,760
Compensated absences	491,401	-	-	-	491,401
Total liabilities	12,280,635	1,497,941	3,125,425	166,201	17,070,202
Deferred inflows of resources - leases	1,879,521	-	-	-	1,879,521
Fund balance:					
Nonspendable	90,952	-	-	25,006	115,958
Restricted	26,896,251	-	-	6,533,683	33,429,934
Assigned	5,864,450	-	12,101,884	1,110,207	19,076,541
Unassigned	4,661,290	-	-	-	4,661,290
Total fund balance	37,512,943	-	12,101,884	7,668,896	57,283,723
Total liabilities, deferred inflows of resources and fund balance	$ 51,673,099	1,497,941	15,227,309	7,835,097	76,233,446

See accompanying notes to financial statements.

NYACK UNION FREE SCHOOL DISTRICT
Reconciliation of Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2026

Total governmental fund balance		$57,283,723
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		78,074,698
Proportionate share of long-term pension assets and liabilities, as well as deferred outflows and inflows, associated with participation in the state retirement systems are not current financial resources and are not reported in the funds.		
Net pension asset - teachers' retirement system	$ 12,469,391	
Net pension liability - employees' retirement system	(463,498)	
Deferred outflows of resources - ERS	844,285	
Deferred outflows of resources - TRS	15,948,998	
Deferred inflows of resources - ERS	(875,225)	
Deferred inflows of resources - TRS	(9,954,434)	
Total OPEB liability, as well as deferred outflows and inflows, related to providing benefits in retirement are not current financial resources and are not reported in the funds.		
Total OPEB liability	(103,671,562)	
Deferred outflows of resources - OPEB	15,287,102	
Deferred inflows of resources - OPEB	(21,378,717)	(91,793,660)
Long-term liabilities, including serial bonds, installment purchase obligations, and leases, are not due in the current period and, therefore, are not reported in the funds.		(8,953,966)
Bond premium is recorded as revenue in the fund financial statements, but is amortized over the life of the bond under full accrual accounting.		(888,396)
Retirement incentive obligation is not due and payable in the current period and, therefore, is not reported in the funds.		(2,185,454)
Interest payable is to be recorded in the Government-Wide statements under full accrual accounting		(11,730)
Total net position		$31,525,215

See accompanying notes to financial statements.

NYACK UNION FREE SCHOOL DISTRICT
Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds
Year ended June 30, 2026

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue:					
Real property taxes	$ 77,110,712	-	-	-	77,110,712
Other tax items	3,866,247	-	-	-	3,866,247
Charges for services	185,389	-	-	-	185,389
Use of money and property	2,789,179	-	-	874,087	3,663,266
Sale of property and compensation for loss	3,617	-	-	-	3,617
Miscellaneous	528,877	-	-	224,735	753,612
State sources	25,428,275	1,190,064	1,340	678,784	27,298,463
Medicaid reimbursement	103,494	-	-	-	103,494
Federal sources	-	1,390,156	-	873,167	2,263,323
Sales - food services	-	-	-	71,043	71,043
Total revenue	110,015,790	2,580,220	1,340	2,721,816	115,319,166
Expenditures:					
General support	9,568,204	-	-	-	9,568,204
Instruction	65,971,905	2,533,816	-	236,604	68,742,325
Pupil transportation	6,889,469	196,596	-	-	7,086,065
Employee benefits	20,782,098	19,867	-	-	20,801,965
Debt service - principal	1,501,604	-	-	-	1,501,604
Debt service - interest	349,213	-	-	-	349,213
Cost of sales	-	-	-	1,711,844	1,711,844
Capital outlay	-	-	10,951,214	-	10,951,214
Total expenditures	105,062,493	2,750,279	10,951,214	1,948,448	120,712,434
Excess (deficiency) of revenue over expenditures	4,953,297	(170,059)	(10,949,874)	773,368	(5,393,268)
Other financing sources (uses):					
Operating transfers in	878	170,937	700,000	-	871,815
Operating transfers (out)	(870,937)	(878)	-	-	(871,815)
Total other financing sources (uses)	(870,059)	170,059	700,000	-	-
Net change in fund balance	4,083,238	-	(10,249,874)	773,368	(5,393,268)
Fund balance at beginning of year	33,429,705	-	22,351,758	6,895,528	62,676,991
Fund balance at end of year	$ 37,512,943	-	12,101,884	7,668,896	57,283,723

See accompanying notes to financial statements.

NYACK UNION FREE SCHOOL DISTRICT
Reconciliation of the Statement of Revenue, Expenditures and Changes in
in Fund Balance - Governmental Funds to the Statement of Activities
Year ended June 30, 2026

Net change in fund balance	$ (5,393,268)
Capital outlays, including those associated with leases, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	11,114,226
Depreciation and amortization are not recorded as expenditures in the governmental funds, but are recorded in the statement of activities.	(3,412,254)
Repayments of long-term debt, including serial bonds, installment purchase obligations, and leases, are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	1,501,604
Government funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	177,679
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(6,406,209)
Pension expense or revenue resulting from GASB 68 related reporting is not recorded as an expenditure/revenue in the government funds but is recorded in the statement of activities.	4,846,474
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds:	
Change in accrued interest	2,860
Change in long-term portion of retirement incentive obligation	129,987
Change in net position of governmental activities	$ 2,561,099

See accompanying notes to financial statements.

NYACK UNION FREE SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year ended June 30, 2026

	Custodial Funds
Additions - tax collections for other governments	$ 5,952,146
Deductions - payments of tax to other governments	5,952,146
Change in net position	-
Net position at beginning of year	-
Net position at end of year	$ -

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

The Nyack Union Free School District (the District) provides K-12 public education to students living within its geographic borders. The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

(a) Reporting Entity

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

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

The accompanying financial statements present the activities of the 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, the following is included in the District's reporting entity:

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

(1) Summary of Significant Accounting Policies, Continued

(a) Reporting Entity, Continued

- Joint Venture - The District is a component school district in the Rockland Board Of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of 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 District can terminate its status as a BOCES component.

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

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

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

(b) Basis of Presentation

Government-Wide Statements

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

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

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

Fund Financial Statements

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

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

Governmental Fund Types

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

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: These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.
- Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Nonmajor funds:

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

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

Nonmajor funds, Continued:

- Debt Service Fund: This fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.
- Miscellaneous Special Revenue Fund: This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the District for specific purposes. The transactions of the extraclassroom activity funds and scholarships are included in this fund.

Fiduciary Fund Types

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

The District utilizes the following fiduciary fund:

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

(c) Use of Estimates

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

(d) Measurement Focus and Basis of Accounting

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

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

(1) Summary of Significant Accounting Policies, Continued

(d) Measurement Focus and Basis of Accounting, Continued

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

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

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

(e) Cash, Cash Equivalents, and Investments

Cash and equivalents consist of cash on hand and funds deposited in demand deposit accounts. The District's investments are in New York Cooperative Liquid Assets Securities System (NYCLASS). The District's deposit and investment policies are governed by State statutes. The District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include NYCLASS, obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions and accordingly, the District's policy provides for no credit risk on investments.

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

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

(1) Summary of Significant Accounting Policies, Continued

(f) Accounts and Lease Receivable

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

(g) Inventory and Prepaid Items

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

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

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

(h) 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 advances resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenue to provide financing or other services.

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

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.

(i) Capital Assets

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

(1) Summary of Significant Accounting Policies, Continued

(i) Capital Assets, Continued

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

Class	Capitalization Threshold	Estimated Useful Life
Land/site improvements	$5,000	20
Buildings and improvements	5,000	15 - 20
Furniture and equipment	1,000	5 - 15

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

(j) Property Taxes

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

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

(k) Vested Employee Benefits

Compensated absences

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

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

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

Consistent with GASB Statement No. 101 - Compensated Absences, the liability has been calculated using a vesting method and an accrual for that liability is included in the District-Wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

(1) Summary of Significant Accounting Policies, Continued

(l) Other Benefits

Eligible 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.

(m) Other Postemployment Benefits

In addition to providing the pension benefits described, the District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the District and its employee groups. 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 cost of providing post-retirement benefits is shared between the District and the retired employee. The District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. At the fund level the District recognizes the cost of providing health care insurance by recording its share of insurance premiums as an expenditure.

(n) Unearned Revenue

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

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

(o) Accrued Liabilities and Long-Term Obligations

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

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

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

(1) Summary of Significant Accounting Policies, Continued

(p) Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) 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. The first item is related to pensions reported in the District-Wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension assets/liabilities and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Also included in this item are the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The second item represents differences between expected and actual experience as well as changes of assumptions related to the total OPEB liability.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. First relates to portions of lease contracts that are not yet earned. The second item is related to pensions reported in the District-Wide Statement of Net Position. This represents the effect of net change in the District's proportion of the collective net pension assets/liabilities and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. The third represents differences between expected and actual experience as well as the change of assumptions related to the OPEB liability.

(q) Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position 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.

(r) Fund Balance/Net Position Classifications

Government-Wide Statements

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

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

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

(1) Summary of Significant Accounting Policies, Continued

(r) Fund Balance/Net Position Classifications, Continued

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

Governmental Fund Statements

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

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually are required to be maintained intact.

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

Capital

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

Unemployment Insurance

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

Debt Service

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

(1) Summary of Significant Accounting Policies, Continued

(r) Fund Balance/Net Position Classifications, Continued

Liability Claims and Property Loss

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

Tax Certiorari

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

Retirement Contributions Reserve Fund

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

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

(1) Summary of Significant Accounting Policies, Continued

(r) Fund Balance/Net Position Classifications, Continued

Assigned fund balance - Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to $1,662,606. Appropriated fund balance in the general fund amounted to $4,201,844. Any remaining fund balance in other funds is considered assigned. The school food service fund also reports assigned fund balance of $1,110,207 and the capital projects fund reports assigned fund balance of $12,101,884. As of June 30, 2026, the District's general fund encumbrances were classified as follows:

General support	$ 1,129,471
Instruction	490,762
Pupil transportation	42,373
Total encumbrances	$ 1,662,606

Encumbrances

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

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

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

(1) Summary of Significant Accounting Policies, Continued

(r) Fund Balance/Net Position Classifications, Continued

Order of Fund Balance Spending Policy

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

(s) Subsequent Events

The District has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(t) Future Implementations of GASB Pronouncements

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

(2) Explanation of Certain Differences Between Governmental Fund Statements and Government-Wide Statements

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

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

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

(2) Explanation of Certain Differences Between Governmental Fund Statements and Government-Wide Statements, Continued

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

Pension Differences

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

OPEB Differences

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

(3) Stewardship, Compliance and Accountability

Budgets

The District's administration prepares a proposed budget for approval by the Board of Education for the general fund.

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

Appropriations are adopted at the program line-item level.

(3) Stewardship, Compliance and Accountability, Continued

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

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The District had supplemental appropriations during the year totaling approximately $4.2 million.

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

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

Fund Balance

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

(4) Cash and Equivalents and Investments

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, State statutes govern the District's investment policies, as discussed previously in these notes.

The District's aggregate bank balances, included balances not covered by depository insurance at year-end, collateralized as follows:

	Bank Balance	Carrying Amount
Cash	$ 18,131,779	17,359,741
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	$ 17,585,812	
Covered by FDIC insurance	545,967	
Total	$ 18,131,779	

(4) Cash and Equivalents and Investments, Continued

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

Restricted cash and equivalents and investments at June 30, 2026 consists of the following:

General fund:	
Retirement contributions	$ 9,225,151
Liability claims	2,288,215
Capital projects	12,118,899
Tax certiorari	3,087,062
Unemployment insurance	176,924
	$ 26,896,251
Miscellaneous special revenue fund - cash on deposit for scholarships, extraclassroom activity funds, and local grants	$ 213,294
Debt service fund	$ 3,490,611

(5) Investments

The District participates in the NYCLASS local government investment pool. A separate financial report for NYCLASS is prepared in accordance with GASB Statement No. 31 - "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," as amended by GASB Statement No. 79 - "Certain External Investment Pools and Pool Participants." Copies of the report can be obtained from the NYCLASS website at newyorkclass.org.

NYCLASS measures its investments at fair value and therefore a Participant's investments in the pools are not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of GASB Statement No. 72.

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

The dollar weighted average days to maturity (WAM) of NYCLASS at June 30, 2026 is 77 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. This was the most recent data available.

(5) Investments, Continued

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

NYCLASS Portfolio Holdings as of June 30, 2026:	
U.S. Treasury Securities (Full Faith and Credit)	72.43%
Bank Deposits (Collateralized)	6.12%
Repurchase Agreements (Collateralized)	21.37%
Other assets	0.08%
	100.00%
NYCLASS Investment balance as of June 30, 2026:	$ 47,906,473

(6) Participation in BOCES

During the year, the District was billed $14,357,864 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $2,188,285.

(7) Capital Assets

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

	Balance at July 1, 2025	Additions	Deletions	Balance at June 30, 2026
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 2,368,450	-	-	2,368,450
Construction in progress	9,907,374	10,951,214	(1,658,956)	19,199,632
Total non-depreciable cost	12,275,824	10,951,214	(1,658,956)	21,568,082
Capital assets that are depreciated:				
Buildings and improvements	100,626,322	1,687,460	-	102,313,782
Machinery and equipment	2,980,549	122,924	-	3,103,473
Vehicles	136,894	11,584	-	148,478
Total depreciable historical cost	103,743,765	1,821,968	-	105,565,733

(7) Capital Assets, Continued

	Balance at July 1, 2025	Additions	Deletions	Balance at June 30, 2026
Governmental activities:				
Less accumulated depreciation:				
Buildings and improvements	$43,962,771	3,182,833	-	47,145,604
Machinery and equipment	1,592,915	216,345	-	1,809,260
Vehicles	100,644	6,524	-	107,168
Total accumulated depreciation	45,656,330	3,405,702	-	49,062,032
Total depreciable cost, net	58,087,435	(1,583,734)	-	56,503,701
Leased assets that are amortized - equipment	30,552	-	-	30,552
Less accumulated amortization - equipment	21,085	6,552	-	27,637
Total leased assets, net	9,467	(6,552)	-	2,915
Total capital assets, net	$70,372,726	9,360,928	(1,658,956)	78,074,698

Depreciation and amortization expense for the year ended June 30, 2026 were allocated to specific functions as follows:

	Depreciation	Amortization
General support	$ 13,878	6,552
Instruction	3,391,824	-
Total	$ 3,405,702	6,552

(8) Short-Term Debt

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

The 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.

(8) Short-Term Debt, Continued

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

At June 30, 2026, the District did not have any short-term debt outstanding.

(9) Long-Term Obligations

Interest on debt for the year ended June 30, 2026, was composed of:

Interest paid	$ 349,213
Less interest accrued in the prior year	(14,590)
Less bond amortization in current year	(177,679)
Plus interest accrued in the current year	11,730
Total expense	$ 168,674

Long-term liability balances and activity for the year ended June 30, 2026, are summarized below:

	Balance at July 1, 2025	Additions	Deletions	Balance at June 30, 2026	Amounts Due Within One Year	Long-Term Portion
Government activities:						
Long-term debt:						
General obligation debt:						
Serial bonds	$ 8,510,000	-	(1,285,000)	7,225,000	1,350,000	5,875,000
Bond premiums	1,066,075	-	(177,679)	888,396	177,679	710,717
Installment purchase obligations	1,938,633	-	(210,786)	1,727,847	215,191	1,512,656
Lease liabilities	6,937	-	(5,818)	1,119	1,119	-
Other long-term liabilities:						
Retirement incentive obligation	3,319,937	-	(148,392)	3,171,545	986,091	2,185,454
Net pension liability	1,364,608	-	(901,110)	463,498	-	463,498
Total other postemployment benefits	88,182,211	15,489,351	-	103,671,562	-	103,671,562
Total long-term liabilities	$ 104,388,401	15,489,351	(2,728,785)	117,148,967	2,730,080	114,418,887

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

(9) Long-Term Obligations, Continued

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

Year ending June 30,	Amount
2027	$ 986,091
2028	949,820
2029	739,198
2030	496,436
Total	$ 3,171,545

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

Bond Issue	Issued	Maturity	Interest Rate	Balance at June 30, 2026
Serial Bonds - Capital improvements	2019	2031	3.00-5.00%	$ 7,225,000

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

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

Year ending	Serial Bonds		Installment Purchases		
June 30,	Principal	Interest	Principal	Interest	Total
2027	$ 1,350,000	245,600	215,191	34,809	1,845,600
2028	1,405,000	191,600	219,688	30,312	1,846,600
2029	1,445,000	149,450	224,279	25,721	1,844,450
2030	1,490,000	106,100	228,966	21,034	1,846,100
2031	1,535,000	61,400	233,751	16,249	1,846,400
2032-2034	-	-	605,972	19,028	625,000
	$ 7,225,000	754,150	1,727,847	147,153	9,854,150

(10) Leases

(a) Lessee Agreements

The District leases copiers and equipment from several companies. It is not reasonably certain that the District will exercise a renewal option for any of these leases. The leases have various inception dates and remaining terms ranging from 6 to 60 months. Activity of lease liabilities for the year ended June 30, 2026 is summarized as follows:

Beginning Balance	Additions	Subtractions	Ending Balance	Amount Due Within One Year
$ 6,937	-	5,818	1,119	1,119

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

Year ending June 30,	Principal	Interest	Total
2027	$ 1,119	10	1,129

(b) Lessor Agreements

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

Description	Interest Rate/ Discount Rate	Total Future Receipts
Rockland BOCES - Old Nyack High School	3.54%	$ 1,734,001
Rockland BOCES - Admin building room 304	2.16%	396,617
		$ 2,130,618

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

Activity of lease inflows for the year ended June 30, 2026 is summarized as follows:

Lease-related revenue	Year ended June 30, 2026
Lease revenue - building	$ 992,095
Interest revenue	79,025
Total	$ 1,071,120

(10) Leases, Continued

(b) Lessor Agreements, Continued

Future minimum lease payments and amortization of related deferred inflows of resources due to the District are as follows:

Year ending June 30,	Principal	Interest	Total	Deferred Inflows of Resources
2027	$ 1,027,146	66,207	1,093,353	939,761
2028	1,103,472	11,843	1,115,315	939,760
	$ 2,130,618	78,050	2,208,668	1,879,521

(11) Interfund Balances and Activity

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

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

The following is a summary of interfund activity:

	Interfund		Interfund	
	Receivable	Payable	Revenue	Expenditures
General fund	$ 1,377,980	996,860	878	870,937
Special aid fund	-	1,377,980	170,937	878
School food service fund	752,941	-	-	-
Debt service fund	2,843,011	-	-	-
Miscellaneous special revenue fund	3,722	-	-	-
Capital projects fund	240,197	2,843,011	700,000	-
	$ 5,217,851	5,217,851	871,815	871,815

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

(12) Pension Plans

(a) Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. TRS 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. TRS is governed by a 10 member Board of Trustees. 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 TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The 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 TRS by referring to the NYSTRS Annual Comprehensive Financial Report which can be found on TRS's website at www.nystrs.org.

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS provides retirement benefits as well as death and disability benefits. The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. Benefits are established under the provisions of the New York State Retirement and Social Security Law. Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. GLIP amounts are appointed to and included in ERS. ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.ny.gov/retirement/publications.

(12) Pension Plans, Continued

(a) Plan Descriptions and Benefits Provided, Continued
Employees' Retirement System (ERS), Continued

The systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 6% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale.

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions

At June 30, 2026, the District reported the following asset/liability for its proportionate share of TRS and ERS. The net pension asset/liability were measured as of March 31, 2026 for ERS and June 30, 2025 for TRS. The total pension asset/liability used to calculate the respective net pension asset/liability was determined by an actuarial valuation. The District's proportion of the respective net pension asset/liability was based on a projection of the District's long-term share of contributions to TRS and ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS and TRS in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
Actuarial valuation date	April 1, 2025	June 30, 2024
Net pension asset (liability)	$ (463,498)	12,469,391
District's proportion of the Plan's net pension asset (liability)	0.0082155%	0.210594%
Change in proportionate share	0.0002566	0.000828

For the year ended June 30, 2026, the District recognized pension expense of $619,661 for ERS and a reduction of expense of $620,234 for TRS in the statement of activities. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

(12) Pension Plans, Continued

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions, Continued

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 265,241	6,536,741	-	-
Changes of assumptions	79,562	4,936,244	-	134,441
Net difference between projected and actual investment earnings on pension plan investments	-	-	831,077	9,738,563
Changes in proportion and differences between the District's contributions and proportionate share of contributions	261,722	268,284	44,148	81,430
District's contributions subsequent to the measurement date	237,760	4,207,729	-	-
Total	$ 844,285	15,948,998	875,225	9,954,434

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

Year ending	ERS	TRS
2027	$ 258,871	6,341,514
2028	(243,499)	(2,600,734)
2029	(124,783)	(2,744,242)
2030	(159,289)	(532,385)
2031	-	1,092,192
Thereafter	-	230,490
	$ (268,700)	1,786,835

(c) Actuarial Assumptions

The total pension asset/liability as of the measurement date was determined by using a rollforward procedure to advance the asset/liability calculated using system assumptions and member demographics from the previous actuarial valuation. The actuarial valuations used the following actuarial assumptions:

(12) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

	ERS	TRS
Investment rate of return (net of investment expense, including inflation)	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 ERS, demographic assumptions used in the April 1, 2025 actuarial valuation are based on the results of an actuarial experience study completed March 31, 2025. Demographic assumptions are primarily based on System experience over the period April 1, 2020 - March 31, 2025. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021. For TRS, annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis. The demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2024. TRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions.

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

The long-term expected real rates of return are presented by asset allocation classification. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized in the following table:

(12) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

	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.

(d) Discount Rate

The discount rate used to calculate the total pension asset/liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the 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.

(12) Pension Plans, Continued

(e) 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 ERS and TRS net pension asset/liability calculated using the discount rates referred to above, 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 or 1-percentage point higher than the current discount rates referred to above:

ERS	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	$ (3,165,564)	(463,498)	1,795,549

TRS	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	$ (23,960,093)	12,469,391	43,122,906

(f) Pension Plan Fiduciary Net Position

The components of the current year net pension asset/liability of the participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions) ERS	TRS
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%

(g) Contributions to the Pension Plans

ERS employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2026 represent the projected employer contribution for the period of April 1, 2026 through June 30, 2026 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to $237,760. This amount has been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to ERS for the year ended June 30, 2026 were $651,929.

(12) Pension Plans, Continued

(g) Contributions to the Pension Plans, Continued

TRS employer and employee contributions for the year ended June 30, 2026 are paid to the TRS in September, October and November 2026 through a state aid intercept. Accrued retirement contributions as of June 30, 2026 represent employee and employer contributions for the fiscal year ended June 30, 2026 based on paid TRS wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS system. Accrued employer retirement contributions to TRS as of June 30, 2026 amounted to $4,988,670, including employees' share. The accrued contributions have been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to TRS for the year ended June 30, 2026 were $4,207,729.

(13) Total Other Postemployment Benefits

(a) Plan Description

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

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

(b) Benefits Provided

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

(c) Employees Covered by Benefit Terms

At the actuarial valuation as of July 1, 2024, the following employees were covered by the benefit terms:

Actives	414
Retirees	295
Beneficiaries	14
Spouses of Retirees	98
Total participants	821

(d) Total OPEB Liability

The District's total OPEB liability of $103,671,562 was measured as of June 30, 2026 and was determined by an actuarial valuation as of July 1, 2025.

(13) Total Other Postemployment Benefits, Continued

(e) 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:

Payroll growth	2.4% including inflation
Discount Rate	4.67%
Healthcare Cost Trend Rates	6.8%, decreasing to an ultimate rate of 3.8% by 2090.
Participation rate	Assumed that 85% of future retirees eligible for coverage will elect the benefit.
Cost method	Entry Age Normal

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

(f) Changes in the Total OPEB Liability

Balance at July 1, 2025	$ 88,182,211
Changes for the year:	
Service cost	3,124,617
Interest	4,658,781
Effect of plan changes	2,930,688
Changes in assumptions or other inputs	10,382,929
Effect of demographic gains or losses	(2,133,857)
Benefit payments	(3,473,807)
Net changes	15,489,351
Balance at June 30, 2026	$ 103,671,562

Changes of assumptions and other inputs reflect a change in the discount rate from 5.20% to 4.67%.

(g) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (3.67%)	Current Discount Rate (4.67%)	1% Increase (5.67%)
Total OPEB liability	$ 120,410,356	103,671,562	90,179,048

(13) Total Other Postemployment Benefits, Continued

(h) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	$ 87,759,111	103,671,562	124,118,646

(i) 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 $9,880,016. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,671,284	4,466,820
Changes of assumptions	13,615,818	16,911,897
Total	$ 15,287,102	21,378,717

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

Year ending June 30,	
2027	$ (1,531,361)
2028	(2,680,343)
2029	(1,419,769)
2030	(1,657,755)
2031	121,643
Thereafter	1,075,970
	$ (6,091,615)

(14) Risk Management

(a) General Information

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 two years.

(b) New York Insurance Reciprocal

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

(c) Grants

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

(d) Litigation

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

At present, although there are active cases in which the District's attorney is involved on the District's behalf, there are no pending proceedings in which such analyses have been provided. For this reason, the District's attorney cannot provide an accurate evaluation of the refund liability associated with pending tax certiorari litigation. However, in light of prior years' tax certiorari activity, pending tax certiorari claims could produce, in the aggregate, refund liabilities in excess of $25,000 to $55,000 through the current 2025-2026 school tax year.

(14) Risk Management, Continued

(d) Litigation, Continued

The District is a defendant in lawsuits arising in the normal course of business. The claims seek monetary damages. To the extent the outcome of such litigation has been determined to result in probable loss to the District, such loss has been accrued in the accompanying financial statements. Approximately $370,000 has been accrued as of June 30, 2026 for this purpose.

(e) Pool, Risk Retained

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

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

(f) Concentrations - 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 expired collective bargaining agreement:

Collective bargaining unit	Expired on
Nyack Association of Educational Secretaries	June 30, 2026

Other collective bargaining agreements are maintained by the District and available upon request.

(g) Constraints

(i) 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.

(ii) 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.

(14) Risk Management, Continued

(g) Constraints, Continued

(iii) 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.

(15) Tax Abatements

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

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

The following are the PILOT agreements by purpose and the amount of real property tax that has been abated for the year ended June 30, 2026:

Agreement With	Owner/ Property	Purpose	Assessed Taxable Value	Tax Rate	Tax Value	PILOT Received	Amount of Tax Abated	Percent of Tax Abated
Clarkstown	Nyack Housing Assistance Corporation	Low income residential housing	$ 1,264,200	107.580656	$ 136,003	17,151	118,852	87.4%
Clarkstown	RCD Park Lanel Owner LLC		755,700	107.580656	81,299	81,299	-	0.0%
Orangetown	263 Main Street Housing - Nyack Point Apartments	Low income residential housing	2,608,000	71.424272	181,655	7,573	174,082	95.8%
Orangetown	Tappan Zee Vista	Culinary Educational Institute Reno	1,562,500	71.424272	111,499	94,111	17,388	15.6%
					$ 510,456	200,134	310,322	

NYACK UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
Year ended June 30, 2026

	Original Budget	Budgetary Change	Final Budget	Variance Favorable (Unfavorable)	Actual
Revenue:					
Local sources:					
Real property taxes	$ 80,457,217	(3,666,113)	76,791,104	319,608	77,110,712
Other tax items	192,433	-	192,433	7,701	200,134
School tax relief - STAR	-	3,666,113	3,666,113	-	3,666,113
Charges for services	70,000	-	70,000	115,389	185,389
Use of money and property	2,065,427	-	2,065,427	723,752	2,789,179
Sale of property and compensation for loss	-	-	-	3,617	3,617
Miscellaneous	250,000	-	250,000	278,877	528,877
Total local sources	83,035,077	-	83,035,077	1,448,944	84,484,021
State sources	25,029,237	14,868	25,044,105	384,170	25,428,275
Medicaid reimbursement	100,000	-	100,000	3,494	103,494
Total revenue	$ 108,164,314	14,868	108,179,182	1,836,608	110,015,790

NYACK UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund, Continued

	Original Budget	Budgetary Change	Final Budget	Variance Favorable (Unfavorable)	Actual
Expenditures:					
General support:					
Board of Education	$ 72,750	(18,375)	91,125	17,201	73,924
Central administration	395,682	(24,708)	420,390	2,386	418,004
Finance	812,044	(136,943)	948,987	114,062	834,925
Staff	753,923	(172,328)	926,251	25,534	900,717
Central services	6,054,892	(941,501)	6,996,393	1,505,446	5,490,947
Special items	1,411,367	(494,712)	1,906,079	56,392	1,849,687
Instruction:					
Instruction, adm and imp	5,386,738	(332,274)	5,719,012	209,007	5,510,005
Teaching - regular school	32,650,550	514,533	32,136,017	1,147,597	30,988,420
Programs for students with disabilities	18,545,221	(1,516,463)	20,061,684	1,427,960	18,633,724
Occupational education	437,641	(70,588)	508,229	499	507,730
Teaching - special schools	1,154,376	(281,981)	1,436,357	32,504	1,403,853
Instructional media	4,441,122	(30,773)	4,471,895	339,234	4,132,661
Pupil services	5,063,409	(191,156)	5,254,565	459,053	4,795,512
Pupil transportation	7,241,565	(547,251)	7,788,816	899,347	6,889,469
Employee benefits	25,348,525	1,820,216	23,528,309	2,746,211	20,782,098
Debt service:					
Principal	1,530,786	-	1,530,786	29,182	1,501,604
Interest	350,064	-	350,064	851	349,213
Total expenditures	111,650,655	(2,424,304)	114,074,959	9,012,466	105,062,493
Other financing sources (uses):					
Transfers from other funds	-	-	-	(878)	878
Transfers to other funds	(915,712)	(44,775)	(870,937)	-	(870,937)
Total other financing sources (uses)	(915,712)	(44,775)	(870,937)	(878)	(870,059)
Total expenditures and other financing uses	$112,566,367	(2,379,529)	114,945,896	9,013,344	105,932,552
Change in fund balance					4,083,238
Fund balance at beginning of year					33,429,705
Fund balance at end of year					$37,512,943

NYACK UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of District's Proportionate Share of the Net Position (Asset)/Liability
Year ended June 30, 2026

ERS System	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
The District's proportion of the net pension (asset)/liability	0.0082155%	0.0079589%	0.0081177%	0.0088850%	0.0091890%	0.0088370%	0.0095080%	0.0094900%	0.0097410%	0.0098160%
The District's proportionate share of the net pension (asset)/liability	$ 463	1,365	1,195	1,905	(751)	9	2,518	672	314	922
The District's covered payroll	$ 3,946	3,809	3,801	3,703	3,663	3,717	3,722	3,705	3,557	3,474
The District's proportionate share of the net pension (asset)/liability as a percentage of covered payroll	11.73%	35.84%	31.44%	51.44%	20.50%	0.24%	67.65%	18.14%	8.83%	26.54%
Plan fiduciary net position as a percentage of the total pension (asset)/liability	97.78%	93.08%	93.88%	90.78%	103.65%	90.78%	86.39%	96.27%	98.24%	94.70%
TRS System										
The District's proportion of the net pension (asset)/liability	0.210594%	0.209766%	0.211621%	0.218308%	0.218721%	0.218721%	0.215262%	0.215189%	0.213970%	0.210888%
The District's proportionate share of the net pension (asset)/liability	$ (12,469)	(6,529)	2,420	4,189	(37,902)	5,948	(5,539)	(3,891)	(1,626)	2,259
The District's covered payroll	$ 43,876	41,350	40,052	41,255	38,674	37,124	36,537	35,590	35,307	34,107
The District's proportionate share of the net pension (asset)/liability as a percentage of covered payroll	28.42%	15.79%	6.04%	10.15%	98.00%	16.02%	15.16%	10.93%	4.61%	6.62%
Plan fiduciary net position as a percentage of the total pension (asset)/liability	104.00%	102.10%	99.20%	98.60%	113.25%	98.57%	102.17%	101.53%	100.66%	99.01%

*Dollars in thousands

NYACK UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Employer's Pension Contributions
Year ended June 30, 2026

ERS System	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 652	583	549	425	591	596	542	539	501	538
Contribution in relation to the contractually required contribution	652	583	549	425	591	596	542	539	501	538
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 3,946	3,809	3,801	3,703	3,663	3,717	3,722	3,705	3,557	3,474
Contribution as a percentage of covered payroll	16.52%	15.31%	14.44%	11.48%	16.13%	16.03%	14.56%	14.55%	14.08%	15.49%
TRS System										
Contractually required contribution	$ 4,208	4,180	3,909	4,043	3,790	3,538	3,237	3,780	3,460	4,269
Contribution in relation to the contractually required contribution	4,208	4,180	3,909	4,043	3,790	3,538	3,237	3,780	3,460	4,269
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 43,876	41,350	40,052	41,255	38,674	37,124	36,537	35,590	35,307	34,107
Contribution as a percentage of covered payroll	9.59%	10.11%	9.76%	9.80%	9.80%	9.53%	8.86%	10.62%	9.80%	12.52%

*Dollars in thousands

NYACK UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
Year ended June 30, 2026

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability									
Service cost	$ 3,124,617	3,593,015	3,779,748	3,314,847	3,974,076	4,142,327	2,878,619	3,138,998	3,047,571
Interest	4,658,781	3,855,486	3,482,778	2,920,280	2,095,239	2,048,403	2,626,020	2,329,926	2,236,769
Effect of plan changes	2,930,688	5,025,645	-	-	-	-	-	-	-
Changes of assumptions or other inputs	10,382,929	(17,182,014)	(3,949,983)	9,124,762	(9,020,674)	721,232	12,128,127	(5,526,129)	-
Effects of demographic gains or losses	(2,133,857)	-	2,769,939	-	(8,386,163)	-	1,120,501	-	73,467
Benefit payments	(3,473,807)	(3,230,632)	(3,192,528)	(2,613,417)	(2,418,913)	(2,440,324)	(2,269,858)	(2,367,218)	(2,321,043)
Net change in total OPEB liability	15,489,351	(7,938,500)	2,889,954	12,746,472	(13,756,435)	4,471,638	16,483,409	(2,424,423)	3,036,764
Total OPEB liability - beginning	88,182,211	96,110,711	93,220,757	80,474,285	94,230,720	89,759,082	73,275,673	75,700,096	72,663,332
Total OPEB liability - ending	$103,671,562	88,172,211	96,110,711	93,220,757	80,474,285	94,230,720	89,759,082	73,275,673	75,700,096
Covered payroll	$ 43,028,674	39,935,745	39,935,745	39,295,189	39,295,189	37,358,534	37,358,534	38,755,453	38,755,453
Total OPEB liability as a percentage of covered payroll	240.94%	220.79%	240.66%	237.23%	204.79%	252.23%	240.26%	189.07%	195.33%
Discount rate	3.67%	5.20%	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%

NYACK UNION FREE 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
Real property taxes	$ 80,457,217	76,791,104	77,110,712
School tax relief - STAR	-	3,666,113	3,666,113
Use of money and property	2,065,427	2,065,427	2,789,179
Central services	6,054,892	6,996,393	5,490,947
Teaching - regular school	32,650,550	32,136,017	30,988,420
Programs for students with disabilities	18,545,221	20,061,684	18,633,724
Pupil transportation	7,241,565	7,788,816	6,889,469
Employee benefits	25,348,525	23,528,309	20,782,098

- Real property taxes final budget was less than original due to reallocation of the New York State School Tax Relief Program (STAR) funding.
- School tax relief - STAR final budget was greater than original due to reallocation of the STAR funding.
- Use of money and property actual was greater than budgeted as the District originally anticipated nation-wide interest rates to decrease more than they did.
- Central services final budget increased due to anticipated repairs and utility costs.
- Central services actual budget was less than budgeted due to appropriating funds for future projects.
- Teaching - regular school actual was less than budgeted due to a change in the allocation of salaries throughout the funds.

(2) Significant Budgetary Changes, Continued

- Programs for students with disabilities final budget was greater than the original due to anticipated special education costs.
- Pupil transportation actual was less than budgeted due to less than anticipated transportation costs.
- Employee benefits final budget was less than the original due to anticipated increase in insurance premiums.
- Employee benefits actual was less than budgeted due to projections for New York State Employee Health Insurance.

(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.

NYACK UNION FREE SCHOOL DISTRICT
Other Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2026

Assets	School Food Service Fund	Debt Service Fund	Miscellaneous Special Revenue Fund	Total Nonmajor Governmental Funds
Cash and equivalents:				
Unrestricted	$ 55,783	-	-	55,783
Restricted	-	-	150,722	150,722
Investments:				
Unrestricted	235,055	-	-	235,055
Restricted	-	3,490,611	62,572	3,553,183
Accounts receivable	14,052	-	-	14,052
Due from other funds	752,941	2,843,011	3,722	3,599,674
Due from State and Federal	201,622	-	-	201,622
Inventory	25,006	-	-	25,006
Total assets	$ 1,284,459	6,333,622	217,016	7,835,097
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	128,982	-	16,955	145,937
Due to other governments	80	-	-	80
Unearned revenue	20,184	-	-	20,184
Total liabilities	149,246	-	16,955	166,201
Fund balance:				
Nonspendable	25,006	-	-	25,006
Restricted	-	6,333,622	200,061	6,533,683
Assigned	1,110,207	-	-	1,110,207
Total fund balance	1,135,213	6,333,622	200,061	7,668,896
Total liabilities and fund balance	$ 1,284,459	6,333,622	217,016	7,835,097

See accompanying notes to financial statements.

NYACK UNION FREE SCHOOL DISTRICT
Other Supplementary Information
Combining Statement of Revenue, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
Year ended June 30, 2026

	School Food Service Fund	Debt Service Fund	Miscellaneous Special Revenue Fund	Total Nonmajor Governmental Funds
Revenue:				
Use of money and property	$ 23,456	846,565	4,066	874,087
Miscellaneous	14,328	-	210,407	224,735
State sources	678,784	-	-	678,784
Federal sources	873,167	-	-	873,167
Sales - food services	71,043	-	-	71,043
Total revenue	1,660,778	846,565	214,473	2,721,816
Expenditures:				
Instruction	-	-	236,604	236,604
Cost of sales	1,711,844	-	-	1,711,844
Total expenditures	1,711,844	-	236,604	1,948,448
Excess (deficiency) of revenue over expenditures	(51,066)	846,565	(22,131)	773,368
Fund balance at beginning of year	1,186,279	5,487,057	222,192	6,895,528
Fund balance at end of year	$ 1,135,213	6,333,622	200,061	7,668,896

See accompanying notes to financial statements.

NYACK UNION FREE SCHOOL DISTRICT
Other Supplementary Information
Schedule of Changes from Adopted Budget to Final Budget and
the Real Property Tax Law Limit Calculation
Year ended June 30, 2026

Change from adopted budget to final budget:		
Original budget		$ 112,559,868
Add prior year's encumbrances		2,092,629
Adopted budget		114,652,497
Budget revisions		2,479,748
Final budget		$ 117,132,245
Section 1318 of Real Property Tax Law Limit Calculation		
2026-27 voter approved expenditure budget		$ 116,532,245
Maximum allowed 4% of 2026-27 budget		$ 4,661,290
General fund fund balance subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance	$ 5,864,450	
Unassigned fund balance	4,661,290	
Total unrestricted fund balance		10,525,740
Less:		
Appropriated fund balance	4,201,844	
Encumbrances included in assigned fund balance	1,662,606	
Total adjustments		5,864,450
General fund fund balance subject to Section 1318 of Real Property Tax Law		$ 4,661,290
Actual percentage		4.00%

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

NYACK UNION FREE SCHOOL DISTRICT
Other Supplementary Information
Schedule of Project Expenditures - Capital Projects Fund
Year ended June 30, 2026

Project Title	Appropriation	Revised Appropriation	Expenditures and Obligations to Date: Prior Year's	Current Year	Total	Unexpended Balance	Methods of Financing: Proceeds of Obligations	Interfund Transfers	State and Federal Aid	Local Sources	Total	Fund Balance 6/30/2026
SSBA Smart Schools Bond Act	$ 928,987	927,647	881,561	1,340	882,901	44,746	-	-	882,901	-	882,901	-
MS Site & Servery Improvements	1,100,000	1,041,210	1,039,878	1,073	1,040,951	259	-	1,100,000	-	-	1,100,000	59,049
HS Site Improvements	200,000	65,899	65,120	-	65,120	779	-	65,120	-	-	65,120	-
HS Site Improvements - New Project - Capital Reserve $2MM	2,000,000	3,672,891	282,531	1,302,220	1,584,751	2,088,140	-	3,614,880	-	-	3,614,880	2,030,129
Hilltop Admin Renovations	970,000	1,645,000	1,582,940	-	1,582,940	62,060	-	1,645,000	-	-	1,645,000	62,060
Liberty AC Project	850,000	1,242,553	954,395	74,272	1,028,667	213,886	-	1,242,553	-	-	1,242,553	213,886
Upper Nyack AC Project	850,000	1,020,353	678,656	133,461	812,117	208,236	-	1,020,352	-	-	1,020,352	208,235
Valley Cottage AC Project	850,000	1,114,205	554,802	368,051	922,853	191,352	-	1,114,205	-	-	1,114,205	191,352
MS & DW AC Project	850,000	1,638,890	992,609	378,142	1,370,751	268,139	-	1,638,890	-	-	1,638,890	268,139
Hilltop Admin Profession Dev. Center Roof	340,000	340,000	191,015	77,393	268,408	71,592	-	340,000	-	-	340,000	71,592
Liberty Elementary School Boiler	911,805	1,704,754	212,572	133,832	346,404	1,358,350	-	1,420,654	-	-	1,420,654	1,074,250
Upper Nyack Elementary School Boiler	911,805	1,704,754	206,392	128,172	334,564	1,370,190	-	1,846,805	-	-	1,846,805	1,512,241
Hilltop Admin Boiler	911,805	1,704,754	726,542	318,042	1,044,584	660,170	-	1,846,804	-	-	1,846,804	802,220
Upper Nyack - emergency Roof	1,980,000	1,980,000	1,021,974	193,560	1,215,534	764,466	-	1,980,000	-	-	1,980,000	764,466
MS & DO SITE AND DO IT BUILDING	7,250,000	6,578,954	395,234	4,286,264	4,681,498	1,897,456	-	6,578,954	-	-	6,578,954	1,897,456
HS Emergency AC Project	100,000	100,000	76,016	-	76,016	23,984	-	100,000	-	-	100,000	23,984
Old Nyack HS Boiler Replacement & Masonry	1,305,800	1,731,951	12,750	1,501,038	1,513,788	218,163	-	1,731,951	-	-	1,731,951	218,163
VC Roof Replacement and HS Gymnasium Masonry Repair	4,722,200	4,722,200	88,100	2,037,775	2,125,875	2,596,325	-	4,722,200	-	-	4,722,200	2,596,325
HS Gym Masonry	72,000	72,000	13,221	16,579	29,800	42,200	-	72,000	-	-	72,000	42,200
HS Emergency Masonry Repair	66,137	66,137	-	-	-	66,137	-	66,137	-	-	66,137	66,137
	$ 27,170,539	33,074,152	9,976,308	10,951,214	20,927,522	12,146,630	-	32,146,505	882,901	-	33,029,406	12,101,884

NYACK UNION FREE SCHOOL DISTRICT
Other Supplementary Information
Net Investment in Capital Assets
June 30, 2026

Capital assets, net		$ 78,074,698
Deduct:		
Short-term premium on bonds payable	$ 177,679	
Long-term premium on bonds payable	710,717	
Short-term portion of installment debt payable	215,191	
Long-term portion of installment debt payable	1,512,656	
Short-term portion of bonds payable	1,350,000	
Long-term portion of bonds payable	5,875,000	
Short-term portion of lease liabilities	1,119	
Capital projects accounts payable	282,414	(10,124,776)
Net investment in capital assets		$ 67,949,922

EFPR GROUP, CPAs PLLC
Certified Public Accountants

6390 Main Street, Suite 200
Williamsville, New York 14221

P 716.634.0700
TF 800.546.7556
W EFPRadvisory.com

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

The Board of Education
Nyack Union Free School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nyack Union Free School District (the District), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 26, 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 26, 2026