Mamaroneck Union Free School District, New York

Financial Statements and Supplementary Information

Year Ended June 30, 2026

Mamaroneck Union Free School District, New York

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PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

The Board of Education of the
Mamaroneck Union Free School District, New York

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter – Implementation of New Accounting Standard

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

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Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2026 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
October 6, 2026

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

Overview of the Financial Statements

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

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

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

- *Governmental fund financial statements* report the School District's governmental activities on a current-financial-resources and modified-accrual basis. Accordingly, they focus on near-term inflows and outflows of spendable resources and on the fund balances available at year end. The governmental fund statements differ from the district-wide statements because they do not report capital assets, certain long-term liabilities, and certain deferred outflows and inflows of resources. Reconciliations accompanying the governmental fund statements explain the differences between the fund-level information and the governmental activities reported in the district-wide financial statements.

- *Proprietary fund financial statements* report all of the business-type activities (enterprise funds) and the services provided to School District departments (internal service funds). The School District had no such activity to report in this fund category.

- *Fiduciary fund financial statements* are used to account for resources held for the benefit of parties outside the School District. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities"*, the School District had no such activity to report in this fund category.

Contents of the Basic Financial Statements

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

Types of Information in the Financial Statements

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

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

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

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

Types of Information Reported in the Financial Statements

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

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

Financial Summary

Statement of Net Position

	June 30, 2026	June 30, 2025	Total % Change 2026-2025
ASSETS			
Current and Other Assets	$ 66,937,404	$ 81,216,698	(17.6%)
Net Pension Asset-Proportionate Share	21,014,980	10,547,146	99.2%
Capital Assets, net	150,989,268	138,688,278	8.9%
Total Assets	238,941,652	230,452,122	3.7%
DEFERRED OUTFLOWS OF RESOURCES	70,369,864	52,748,181	33.4%
LIABILITIES			
Current Liabilities	20,157,661	16,789,516	20.1%
Long-term Liabilities	331,065,890	329,590,712	0.4%
Total Liabilities	351,223,551	346,380,228	1.4%
DEFERRED INFLOWS OF RESOURCES	165,528,702	164,486,747	0.6%
NET POSITION			
Net Investment in Capital Assets	75,599,783	76,434,319	(1.1%)
Restricted	55,471,795	42,692,006 *	29.9%
Unrestricted	(338,512,315)	(346,792,997) *	2.4%
Total Net Position	$ (207,440,737)	$ (227,666,672)	8.9%

* Restated components of net position to conform with the current year's presentation with respect to reporting the net pension asset – TRS restriction at June 30, 2025.

The table above shows that as of June 30, 2026, the School District's total net position for governmental activities (assets and deferred outflows minus liabilities and deferred inflows of resources) was negative $207.4 million, an increase of $20.2 million, or 8.9%, compared with 2025.

Governmental Activities

Current and other assets decreased by $14,279,294, primarily due to lower cash and investments. Bonds were issued immediately prior to the end of the prior fiscal year and the funds were spent in the current year. Capital assets increased by $12,300,990, primarily due to ongoing capital project activity, which is discussed further in the Significant Capital Asset and Long-Term Financing Activity section in this MD&A.

Current liabilities increased by $3,368,145, primarily due to an increase in accounts payable due to significant construction activity and completed, but unbilled, maintenance and IT projects, special education services, and health insurance billings at year-end.

Deferred outflows of resources increased by $17,621,683, primarily due to changes in actuarial assumptions used to measure the School District's other postemployment benefit (OPEB) liability. Deferred inflows of resources increased by $1,041,955, primarily due to an increase in pension-related deferred inflows, partially offset by a decrease in OPEB-related deferred inflows.

Long-term liabilities increased by $1,475,178 from the previous year. The increase was primarily attributable to the increase in the OPEB liability of $10,204,228 as a result of an increase in covered employees and rates and compensated absences of $269,800 from increased salaries, partially offset by a decrease in the ERS net pension liability of $4,258,874 in the current year. The School District's long-term financing activity, including the issuance of general obligation bonds and leases, offset by the retirement of outstanding debt, is discussed further in the Significant Capital Asset and Long-Term Financing Activity section in this MD&A.

Total net position increased by $20,225,935. This was comprised of an increase in restricted net position of $12,779,789 and unrestricted net position of $8,280,682, partially offset by a decrease in the net investment in capital assets of $834,536.

A large component of the School District's net position ($75,599,783) reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The School District uses these capital assets to provide services to the students, and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position ($55,471,795) reflects amounts restricted for specific purposes, i.e., capital projects, future capital projects, debt service, tax certiorari, workers' compensation benefits, unemployment benefits, retirement contributions, net pension asset – TRS, self-funded health insurance, insurance and special purposes. There is a negative balance of unrestricted net position of $338,512,315, primarily due to the recognition of pension and postemployment benefit liabilities.

Changes in Net Position

	June 30, 2026	June 30, 2025	Total % Change 2026-2025
REVENUES			
Program Revenues:			
Charges for Services	$ 2,730,811	$ 2,894,110	(5.6%)
Operating Grants and Contributions	11,491,932	9,343,347	23.0%
Capital Grants and Contributions	1,923,161	517,833	271.4%
Total Program Revenues	16,145,904	12,755,290	26.6%
General Revenues:			
Real Property Taxes and Other Tax Items	148,571,344	141,549,709	5.0%
Unrestricted Use of Money and Property	1,720,885	2,302,948	(25.3%)
Unrestricted State Aid	11,163,327	10,045,322	11.1%
Other	4,028,296	4,005,574	0.6%
Total General Revenues	165,483,852	157,903,553	4.8%
Total Revenues	181,629,756	170,658,843	6.4%
EXPENSES			
General support	24,647,954	22,380,646	10.1%
Instruction	124,651,761	136,900,634	(8.9%)
Pupil transportation	6,190,302	5,543,445	11.7%
Community services	285,263	404,119	(29.4%)
Cost of food sales	2,225,280	1,602,399	38.9%
Other	962,373	886,485	8.6%
Interest	2,440,888	1,957,475	24.7%
Total Expenses	161,403,821	169,675,203	(4.9%)
Change in Net Position	20,225,935	983,640	1956.2%
Net position - Beginning	(227,666,672)	(228,650,312) **	0.4%
Net position - Ending	$ (207,440,737)	$ (227,666,672)	8.9%

** Net position at July 1, 2024 restated for the cumulative effect of change in accounting principle for the School District's adoption of the provisions of GASB Statement No. 101, "*Compensated Absences*".

The table above shows that revenues exceeded expenses in the current year, resulting in an increase in net position. The total net position of the School District's governmental activities was negative $207.4 million, an increase of $20.2 million, or 8.9%, from 2025. The following detailed analyses explain the significant changes in the School District's financial position and results of operations from the prior year and the primary factors that affected those changes.

Detailed Analyses

Governmental Activities

Revenues:

The School District's total program revenues saw an increase of $3,390,614 while general revenues increased by $7,580,299 for a total increase of $10,970,913. The primary drivers of these changes were:

- Real property taxes and other tax items (primarily the School Tax Relief Reimbursement ("STAR")) program increased by $7,021,635 per the adopted budget. The School District levies real property taxes in order to meet the anticipated program needs of its students and the related costs associated with those programs. The School District increased the levy by 4.98%, which exceeded the maximum allowable limit of 2.99% by 1.99% based on the state prescribed tax levy limit calculation. The School District sought and received approval for this increase by the required 60% of the qualified voters of the district.

- Operating grants and contributions increased by $2,148,585. This increase was caused by an increase in meal reimbursements due to the School District's participation in the Universal Free School Meals program and an increase in state and federal aid.

- Capital grants and contributions increased by $1,405,328. Most of this increase was caused by the collection of FEMA funds from the 2021 Hurricane Ida.

- Unrestricted State aid increased by $1,118,005, driven by record statewide lottery revenue distributions, higher state wagering volumes, and increased local resident public and nonpublic school enrollment. These gains were further compounded by favorable reductions in the School District's Combined Wealth Ratio, Resident Weighted Average Daily Attendance (RWADA) wealth ratio, and non-allowable pupil decimal.

Expenses:

The School District's expenses decreased by $8,271,382. Major factors contributing to the decrease included:

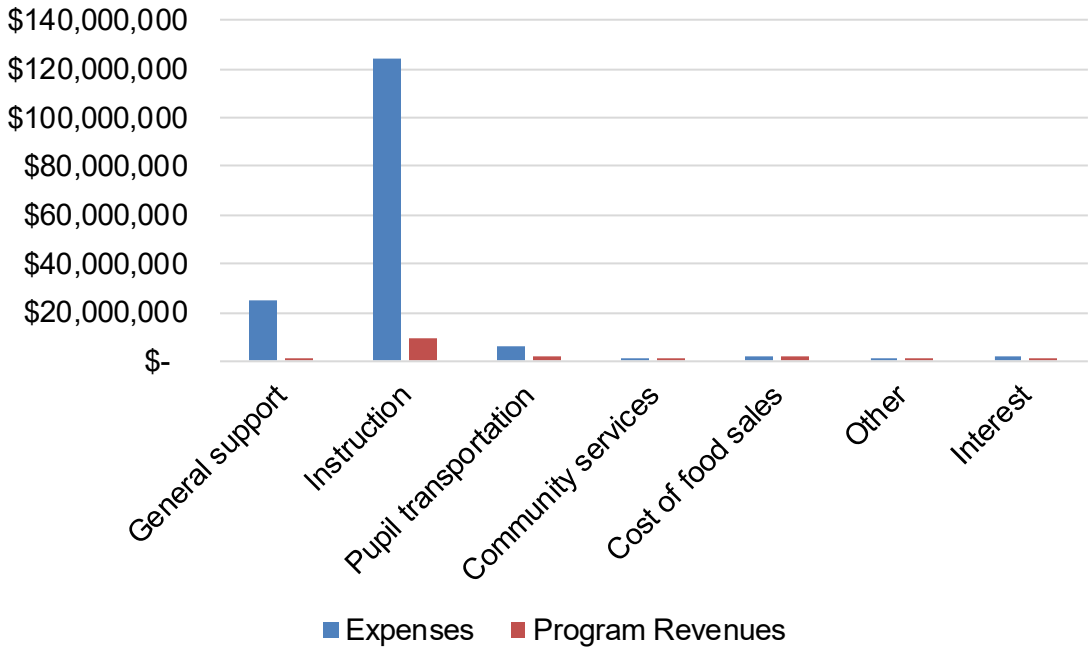
- While instructional expenditures increased in the general and special aid funds by 5% and 26%, respectively, district-wide instructional expenses decreased due to decreases in OPEB and pension expenses to arrive at a net decrease of $12,248,873.

- As a result of an increase in maintenance projects, general support increased by $2,267,308. The School District reallocates surplus funds from other categories to be used to complete facility maintenance and IT projects. This year's expenses also includes the completion of certain of these projects that began in 2024-2025.

- Increases in the CPI adjustment, required routes, athletic team success, and Coop Camp transportation due to relocation of the program resulted in an increase in pupil transportation costs by $646,857.

- Cost of food sales increased by $622,881 as a result of the School District's participation in the State's new Universal Free School Meals program.

Governmental Activities - Expenses and Program Revenues



Governmental Funds

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

General Fund - The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $6.9 million, while total fund balance decreased to $30.5 million. (This was primarily because of a voter-approved transfer of $9 million from the Restricted for Future Capital Projects – Infrastructure and Facility Upgrades portion of fund balance to the Capital Projects Fund). As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures and other financing uses. Unassigned fund balance represents 3.8% of total general fund expenditures and other financing uses, while total fund balance represents 16.9% of that same amount.

Of the General Fund's $30.5 million total fund balance, $1.1 million is in nonspendable form (for items prepaid for the next fiscal year), $2.2 million is assigned (for outstanding purchase orders) and $20.3 million is restricted. Restricted fund balance includes amounts for workers'

compensation benefits ($.8 million), unemployment benefits ($.2 million), tax certiorari ($5.9 million), TRS retirement contributions ($1.2 million), self-funded health insurance ($.9 million), insurance ($4 million) and future capital projects ($7.3 million). The remaining $6.9 million is unassigned and available for general purposes, subject to applicable statutory limitations.

The fund balance of the School District's General Fund decreased by $9.8 million during the current fiscal year. Significant factors affecting the change in fund balance came from both revenues and expenditures:

- The increase in the real property taxes and other tax items was noted in the earlier discussion.

- Transfers out increased by $8,544,102 to $15,960,340. The transfers funded the Special Aid Fund for the extended school year (i.e ESY or summer handicapped program), the Debt Service Fund for bond principal and interest payments, the Capital Projects Fund for capital improvements, and non-major governmental funds. As noted earlier, the School District transferred $9 million from the General Fund to the Capital Projects Fund from a voter approved authorization to spend from the previously authorized $20 million capital reserve.

- Instruction expenditures increased by $4,386,374. This increase is due to salary increases because of a budgeted increase of 21.5 positions, improved ability to attract and retain teacher aides, and higher than typical annual retirements, resulting in higher contractually provided retirement incentives.

- Employee benefits increased by $3,701,707 due to an increase in percentage of wage benefits such as pensions and social security taxes resulting from increased wages, and health insurance increases due to higher rates and expanded eligibility.

Special Aid Fund - Due to grant accounting requirements for activities in this fund, revenues and other financing sources are either accrued/deferred to match each grant expenditure, thus resulting annually in no change in fund balance being reported. The School District accounts for its Extended School Year (i.e. ESY or Summer Handicapped program) , Universal Pre-K and IDEA programs in this fund. Revenues and other financing sources in the Special Aid Fund increased by $981,975 from the prior year, with expenditures increasing by the same amount. This change from the prior year was primarily attributable to increased allocations in Title and IDEA grants, as well as increased participation in Prekindergarten and state-supported schools.

Capital Projects Fund - Fund balance in the Capital Projects Fund was $11.3 million at year end, representing a decrease of $8.8 million from the prior year. The change was primarily attributable to bond revenue recognized in previous years and expenditures including those from the bonds, recognized in the current year. Significant project activity during the year included capital outlay expenditures of $20,018,554, including $7,755,806 on energy performance contract upgrades (funded in a prior year) and $10,426,789 on 2024 voter approved bond projects (funded in a prior year except for $2,500,000 funded in the current year). Additional information regarding capital asset and long-term financing activity is included in the Significant Capital Asset and Long-Term Financing Activity section of this MD&A.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets - The School District's investment in capital assets for its governmental activities as of June 30, 2026, amounts to $151.0 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment, and right-to-use leased equipment. The total increase in capital assets for the current fiscal year was $12.3 million.

Capital Assets (net of depreciation/amortization)

	June 30,	
	2026	2025
Land	$ 333,435	$ 333,435
Construction-in-Progress	39,121,750	22,558,613
Buildings and Improvements	231,999,740	229,829,184
Machinery and Equipment	4,854,161	4,545,993
Right-to-use Leased Equipment	1,684,463	732,808
Total	277,993,549	258,000,033
Less: Accumulated Depreciation/Amortization	(127,004,281)	(119,311,755)
Net Capital Assets	$ 150,989,268	$ 138,688,278

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

- Construction-in-progress increased by $16,563,137 during the year, as additions of $18,442,810 were partially offset by $1,879,673 of reductions as a result of ongoing construction related to the energy performance contract and the 2024 bond projects.
- Buildings and improvements increased by $2,170,556 before accumulated depreciation due to completed construction.
- Right-to-use leased equipment increased by $951,655 during the year because the School District entered into a new copier lease contract.

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

Long-term Financing - At the end of the current fiscal year, the School District had outstanding principal of long-term financing arrangements of $76.2 million, composed of general obligation bonds, energy performance contracts, and lease liabilities. During the current year, long-term financing liabilities decreased by $4.4 million.

Long-Term Financings

	June 30, 2026	June 30, 2025
General Obligation Bonds	$ 54,555,000	$ 59,355,000
Energy Performance Contracts	20,662,593	21,033,197
Lease Liabilities	959,419	172,298
Total	$ 76,177,012	$ 80,560,495

The $54.6 million general obligation bonds are bonded debt, backed by the full faith and credit of the School District. During the current year, the School District did not issue general obligation bonds and retired $4.8 million. The School District also retired $370,604 of its energy performance contract debt.

As discussed in the changes in capital assets above, the School District entered into new lease agreements totaling $951,655. Lease principal payments totaled $164,534 during the year.

Moody's Investor Service has issued a Aa1 rating on its 2026 bonds and also maintained its Aa1 issuer rating.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the most recent full valuation of taxable property within the jurisdiction. The current debt limitation for the School District is $1,232,498,681, which is significantly more than the School District's outstanding general obligation debt.

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

Currently Known Facts, Decisions or Conditions

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

- The School District's 2026-2027 budget provides for appropriations of $176,560,406, an increase of $7,368,414 or 4.36% over the 2025-2026 budget. The budget provides for a 3.07% increase in the real property tax levy, just under the allowable increase under the School District's calculated tax levy limit. The increase was made up as follows:

Major Components of Budget Changes	2026-2027 $ Increase	Budget-to-Budget Increase	Percentage of Budget Increase	Proportion of Total Growth	Explanation
Salaries	3,482,966	3.83%	2.06%	47.27%	Increases consistent with collective bargaining agreements
Benefits	1,852,189	4.23%	1.09%	25.13%	Increases in eligibility and percentage of wage benefits
Debt Service/Transfers to Other Funds	805,659	9.58%	0.48%	10.93%	Debt issuance authorized by voters in May 2024
Transportation	587,607	10.48%	0.35%	7.98%	Increase in CPI and the numbers of destination schools
Special Education	371,947	6.71%	0.22%	5.05%	Higher tuition rates and need for specialists
Other	345,531	3.00%	0.20%	4.69%	Increase in costs and demand for software and supplies
Non-Health Insurance	145,907	13.9%	0.09%	1.98%	NYSIR rate increases
Utilities	(223,392)	(8.26%)	(0.13%)	(3.03%)	Decrease due to energy performance contract work
Total	7,368,414		4.36%	100.00%	

- Subsequent debt issuance - In August 2026, the School District issued $16,025,000 of general obligation serial bonds, due in annual installments through June 2041, with interest at 4% per annum. This was the amount remaining on the $28,025,000 bonds authorized by the voters in May, 2024. The estimated principal and interest cost of the bonds was planned for in preparation of the 2026-2027 budget.

- On June 30, 2026, the unassigned fund balance in the General Fund was $6.9 million. The School District has not appropriated any of this amount for spending in the 2026-2027 fiscal year budget.

Requests for Information

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

Mamaroneck Union Free School District
Office of the Assistant Superintendent for Business Operations
1000 West Boston Post Road
Mamaroneck, New York 10543.

Mamaroneck Union Free School District, New York

Statement of Net Position
June 30, 2026

	Governmental Activities
ASSETS	
Cash and equivalents	$ 55,918,926
Investments	5,294,220
Receivables	
Accounts	631,533
State and Federal aid	3,641,318
Due from other governments, net	268,630
Prepaid expenses	1,153,918
Net pension asset - TRS	21,014,980
Inventories	28,859
Capital assets	
Not being depreciated	39,455,185
Being depreciated/amortized, net	111,534,083
Total Assets	238,941,652
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	29,375,908
OPEB related	40,993,956
Total Deferred Outflows of Resources	70,369,864
LIABILITIES	
Accounts payable	7,389,967
Accrued liabilities	895,063
Employee payroll deductions	269
Due to other governments	970,688
Due to retirement systems	9,285,171
Unearned revenues	712,244
Accrued interest payable	904,259
Non-current liabilities	
Due within one year	13,313,512
Due in more than one year	317,752,378
Total Liabilities	351,223,551
DEFERRED INFLOWS OF RESOURCES	
Pension related	20,590,603
OPEB related	144,938,099
Total Deferred Inflows of Resources	165,528,702
NET POSITION	
Net investment in capital assets	75,599,783
Restricted	
Capital projects	8,591,585
Future capital projects - MHS turf field	2,158,362
Future capital projects - Infrastructure and facility upgrades	5,191,737
Debt service	4,587,857
Tax certiorari	5,874,019
Workers' compensation benefits	781,831
Unemployment benefits	170,578
TRS retirement contributions	1,201,902
Net pension asset - TRS	21,014,980
Self-funded health insurance	917,176
Insurance	3,977,719
Special purposes	
Extraclassroom activities	582,793
Other	421,256
Unrestricted	(338,512,315)
Total Net Position	$ (207,440,737)

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

Mamaroneck Union Free School District, New York

Statement of Activities
Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities					
General support	$ 24,647,954	$ 535,297	$ 597,181	$ -	$ (23,515,476)
Instruction	124,651,761	1,871,457	5,934,773	1,256,629	(115,588,902)
Pupil transportation	6,190,302	25,000	1,616,574	-	(4,548,728)
Community services	285,263	-	429,888	-	144,625
Cost of food sales	2,225,280	299,057	1,913,617	-	(12,606)
Other	962,373	-	999,899	-	37,526
Interest	2,440,888	-	-	666,532	(1,774,356)
Total Governmental Activities	$ 161,403,821	$ 2,730,811	$ 11,491,932	$ 1,923,161	(145,257,917)
General revenues					
Real property taxes					146,396,242
Other tax items					
Payments in lieu of taxes					54,143
School tax relief reimbursement					2,120,959
Non-property taxes					
Non-property tax distribution from County					3,495,032
Unrestricted use of money and property					1,720,885
Sale of property and compensation for loss					111,379
Unrestricted State aid					11,163,327
Miscellaneous					421,885
Total General Revenues					165,483,852
Change in Net Position					20,225,935
Net Position - Beginning					(227,666,672)
Net Position - Ending					$ (207,440,737)

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

Mamaroneck Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2026

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	$ 38,732,522	$ -	$ 15,053,395
Investments	4,390,623	-	-
Receivables			
Accounts	551,874	-	-
State and Federal aid	1,284,468	2,078,255	-
Due from other governments, net	268,630	-	-
Due from other funds	-	1,360	-
Prepaid expenditures	1,153,918	-	-
Inventories	-	-	-
Total Assets	$ 46,382,035	$ 2,079,615	$ 15,053,395
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 3,342,580	$ 147,244	$ 3,704,472
Accrued liabilities	894,794	-	-
Employee payroll deductions	269	-	-
Due to other funds	1,715,833	961,683	-
Due to other governments	-	970,688	-
Due to retirement systems	9,285,171	-	-
Unearned revenues	630,915	-	-
Total Liabilities	15,869,562	2,079,615	3,704,472
Fund balances			
Nonspendable	1,153,918	-	-
Restricted	20,273,324	-	11,348,923
Assigned	2,167,313	-	-
Unassigned	6,917,918	-	-
Total Fund Balances	30,512,473	-	11,348,923
Total Liabilities and Fund Balances	$ 46,382,035	$ 2,079,615	$ 15,053,395

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

Non-Major Governmental	Total Governmental Funds
$ 2,133,009	$ 55,918,926
903,597	5,294,220
79,659	631,533
278,595	3,641,318
-	268,630
3,169,330	3,170,690
-	1,153,918
28,859	28,859
$ 6,593,049	$ 70,108,094
$ 195,671	$ 7,389,967
269	895,063
-	269
493,174	3,170,690
-	970,688
-	9,285,171
81,329	712,244
770,443	22,424,092
28,859	1,182,777
5,591,906	37,214,153
201,841	2,369,154
-	6,917,918
5,822,606	47,684,002
$ 6,593,049	$ 70,108,094

Mamaroneck Union Free School District, New York

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

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

Total Fund Balances - Governmental Funds	$ 47,684,002
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	39,455,185
Capital assets - depreciable/amortizable	238,538,364
Accumulated depreciation/amortization	(127,004,281)
	150,989,268
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	29,375,908
Deferred outflows - OPEB related	40,993,956
Deferred inflows - pension related	(20,590,603)
Deferred inflows - OPEB related	(144,938,099)
	(95,158,838)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - TRS	21,014,980
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds payable	(54,555,000)
Energy performance contract payable	(20,662,593)
Leases payable	(959,419)
Claims payable	(387,980)
Compensated absences	(1,595,289)
Net pension liability - ERS	(1,928,999)
Total OPEB liability	(248,506,799)
Accrued interest payable	(904,259)
	(329,500,338)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Premium on general obligation bonds	(2,469,811)
Net Position of Governmental Activities	$ (207,440,737)

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

Mamaroneck Union Free School District, New York

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

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	$ 146,396,242	$ -	$ -
Other tax items	2,175,102	-	-
Non-property taxes	3,495,032	-	-
Charges for services	1,896,457	-	-
Use of money and property	2,853,363	-	-
Sale of property and compensation for loss	111,379	-	-
State aid	13,419,451	1,481,719	-
Federal aid	253,959	2,264,905	1,256,629
Food sales	-	-	-
Miscellaneous	421,885	1,294,640	-
Total Revenues	171,022,870	5,041,264	1,256,629
EXPENDITURES			
Current			
General support	21,227,055	-	-
Instruction	92,238,526	5,008,298	-
Pupil transportation	5,980,320	196,237	-
Community services	-	-	-
Employee benefits	44,062,879	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	535,138	-	-
Interest	826,515	-	-
Capital outlay	-	-	20,018,554
Total Expenditures	164,870,433	5,204,535	20,018,554
Excess (Deficiency) of Revenues Over Expenditures	6,152,437	(163,271)	(18,761,925)
OTHER FINANCING SOURCES (USES)			
Leases issued	-	-	951,655
Transfers in	-	163,271	9,000,000
Transfers out	(15,960,340)	-	-
Total Other Financing Sources (Uses)	(15,960,340)	163,271	9,951,655
Net Change in Fund Balances	(9,807,903)	-	(8,810,270)
FUND BALANCES			
Beginning of Year	40,320,376	-	20,159,193
End of Year	$ 30,512,473	$ -	$ 11,348,923

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

Non-Major Governmental	Total Governmental Funds
$ -	$ 146,396,242
-	2,175,102
-	3,495,032
-	1,896,457
670,353	3,523,716
-	111,379
1,099,322	16,000,492
810,746	4,586,239
299,057	299,057
1,429,515	3,146,040
4,308,993	181,629,756
-	21,227,055
-	97,246,824
-	6,176,557
285,263	285,263
-	44,062,879
2,225,280	2,225,280
962,373	962,373
4,800,000	5,335,138
1,997,069	2,823,584
-	20,018,554
10,269,985	200,363,507
(5,960,992)	(18,733,751)
-	951,655
6,797,069	15,960,340
-	(15,960,340)
6,797,069	951,655
836,077	(17,782,096)
4,986,529	65,466,098
$ 5,822,606	$ 47,684,002

Mamaroneck Union Free School District, New York

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

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

Net Change in Fund Balances - Total Governmental Funds	$ (17,782,096)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
Capital outlay expenditures	20,042,873
Depreciation/amortization expense	(7,741,883)
	12,300,990
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized on the statement of activities.	
Leases issued	(951,655)
Principal paid on general obligation bonds	4,800,000
Principal paid on energy performance contract	370,604
Principal paid on leases	164,534
	4,383,483
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(269,800)
Changes in pension liabilities and related deferred outflows and inflows of resources	8,245,669
Claims payable	108,454
Changes in OPEB liabilities and related deferred outflows and inflows of resources	12,856,539
Accrued interest	134,657
Amortization of premium on bonds	248,039
	21,323,558
Change in Net Position of Governmental Activities	$ 20,225,935

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

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

B. District-Wide Financial Statements

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

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

Fund Categories

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

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

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

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

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

Special Revenue Funds:

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*", the School District had no such activity to report in this fund category.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

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

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

The School District follows the provisions of GASB Statement No. 72, *"Fair Value Measurement and Application"*, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

At June 30, 2026, the School District's investment in NYCLASS was $5,294,220, which equaled the value of its pool shares. NYCLASS's investment policy limits the maximum remaining maturity of any individual investment to 397 days and the maximum weighted-average maturity of the portfolio to 60 days.

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

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

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2026.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Inventories - Inventories in the School Lunch Fund consist of surplus food which is recorded at a stated value, which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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

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

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

Class	Life in Years
Buildings and Improvements	20-50
Machinery and Equipment	5-20
Right-to-use Leased Equipment	5

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of $630,915 for fees received in advance in the General Fund and $81,329 for student meal monies received in advance in the School Lunch Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

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

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

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

Leases - The School District is a lessee for noncancellable leases of equipment. The School District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the district-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of $10,000 or more.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

F. Use of Estimates

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

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 6, 2026.

Note 2 - Stewardship, Compliance and Accountability

A. Limitation on Fund Balance

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

B. Property Tax Limitation

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

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

C. Capital Projects Fund Project Deficit

The deficit in the Town Center capital project arises because of expenditures exceeding current financing on the project. This deficit will be eliminated with the subsequent receipt of grants.

D. New Accounting Pronouncement

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

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

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

Fund	Due From	Due To
General	$ -	$ 1,715,833
Special Aid	1,360	961,683
Non-Major Governmental	3,169,330	493,174
	$ 3,170,690	$ 3,170,690

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

B. Capital Assets

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

Class	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Capital Assets, not being depreciated:				
Land	$ 333,435	$ -	$ -	$ 333,435
Construction-in-progress	22,558,613	18,442,810	1,879,673	39,121,750
Total Capital Assets, not being depreciated	$ 22,892,048	$ 18,442,810	$ 1,879,673	$ 39,455,185
Capital Assets, being depreciated/amortized:				
Buildings and Improvements	$ 229,829,184	$ 2,170,556	$ -	$ 231,999,740
Machinery and Equipment	4,545,993	357,525	49,357	4,854,161
Right-to-use Leased Equipment	732,808	951,655	-	1,684,463
Total Capital Assets, being depreciated/amortized	235,107,985	3,479,736	49,357	238,538,364
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	116,251,201	7,163,955	-	123,415,156
Machinery and Equipment	2,499,259	416,320	49,357	2,866,222
Right-to-use Leased Equipment	561,295	161,608	-	722,903
Total Accumulated Depreciation/Amortization	119,311,755	7,741,883	49,357	127,004,281
Total Capital Assets, being depreciated/amortized, net	$ 115,796,230	$ (4,262,147)	$ -	$ 111,534,083
Capital Assets, net	$ 138,688,278	$ 14,180,663	$ 1,879,673	$ 150,989,268

Note 3 - Detailed Notes on All Funds (Continued)

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

General support	$ 234,041
Instruction	7,504,918
Pupil transportation	2,924
Total Depreciation/Amortization Expense	$ 7,741,883

C. Health Claim Liabilities

The financial statements reflect the liability for health benefit claims. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on various factors such as inflation, the process used in computing claims liabilities does not necessarily result in an exact amount. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed on both actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

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

	2025-26	2024-25
Balance - Beginning of Year	$ 636,811	$ 765,097
Incurred Claims and Claims Adjustment Expenses	24,779,678	21,986,953
Claims and Claims Adjustment Expenses Paid	(24,779,678)	(22,115,239)
Balance - End of Year	$ 636,811	$ 636,811

The liability for health claims is reflected in the General Fund and district-wide financial statements within accrued liabilities.

D. Accrued Liabilities

Accrued liabilities at June 30, 2026 were as follows:

	General Fund	Other Governmental	Total
Payroll and Employee Benefits	$ 247,030	$ -	$ 247,030
Health Benefit Claims	636,811	-	636,811
Other	10,953	269	11,222
	$ 894,794	$ 269	$ 895,063

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

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

	Balance July 1, 2025	New Issues/ Additions		Maturities and/or Payments	Balance June 30, 2026	Due Within One-Year
General Obligation Bonds Payable	$ 59,355,000	$ -		$ 4,800,000	$ 54,555,000	$ 4,705,000
Plus - Unamortized Premium on Bonds	2,717,850	-		248,039	2,469,811	-
	62,072,850	-		5,048,039	57,024,811	4,705,000
Energy Performance Contract Payable	21,033,197	-		370,604	20,662,593	1,214,333
Leases Payable	172,298	951,655		164,534	959,419	212,364
Other Non-current Liabilities:						
Claims Payable	496,434	354,758		463,212	387,980	39,000
Compensated Absences	1,325,489	269,800	*	-	1,595,289	160,000
Net Pension Liability - ERS	6,187,873	-		4,258,874	1,928,999	-
Other Post Employment Benefit Liability	238,302,571	17,187,043		6,982,815	248,506,799	6,982,815
Total Other Non-current Liabilities	246,312,367	17,811,601		11,704,901	252,419,067	7,181,815
Total Long-Term Liabilities	$ 329,590,712	$ 18,763,256		$ 17,288,078	$ 331,065,890	$ 13,313,512

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

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

General Obligation Bonds Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at June 30, 2026
District-Wide Reconstruction	2014	$ 5,000,000	August, 2028	3.10 - 3.30 %	$ 1,195,000
District-Wide Reconstruction	2015	4,455,000	July, 2029	3.00	1,375,000
District-Wide Reconstruction	2018	9,340,000	June, 2032	3.00	4,185,000
District-Wide Reconstruction	2021	16,580,000	April 2038	2.00 - 5.00	12,660,000
District-Wide Reconstruction	2022	29,264,650	August, 2036	3.00 - 4.00	23,965,000
District-Wide Reconstruction	2025	12,000,000	June, 2040	4.00	11,175,000
					$ 54,555,000

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of $1,997,069 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of $1,614,218 was recorded in the district-wide financial statements.

Energy Performance Contract Payable

The School District, in a prior fiscal year, entered into a $4,891,632 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for annual payments of $395,083 payable semi-annually, including interest at 2.34% through January 2028. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. The balance due at June 30, 2026 was $767,593.

The School District entered into a $19,895,000 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for annual payments of $1,643,340, including interest at 4.063% through December 2042. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. The balance due at June 30, 2026 was $19,895,000.

Interest expenditures of $821,575 were recorded in the fund financial statements in the General Fund. Interest expense of $821,730 was recorded in the district-wide financial statements.

Leases Payable

Leases payable at June 30, 2026 are comprised of the following individual agreements:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2026
Equipment	2022	$ 38,873	2027	1.3035 %	$ 1,998
Equipment	2024	139,430	2028	2.3660	36,417
Equipment	2026	951,655	2031	2.5626	921,004
					$ 959,419

Interest expenditures/expense of $4,940 were recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all outstanding bonded, energy performance contract debt and leases as of June 30, 2026 including interest payments of $19,749,506 are as follows:

Year Ending June 30,	General Obligation Bonds			Energy Performance Contract		
	Principal	Interest	Total	Principal	Interest	Total
2027	$ 4,705,000	$ 1,850,198	$ 6,555,198	$ 1,214,333	$ 824,089	$ 2,038,422
2028	4,870,000	1,683,555	6,553,555	1,257,198	781,235	2,038,433
2029	5,030,000	1,510,565	6,540,565	904,237	739,103	1,643,340
2030	4,780,000	1,338,425	6,118,425	940,976	702,364	1,643,340
2031	4,535,000	1,172,275	5,707,275	979,208	664,132	1,643,340
2032-2036	21,900,000	3,557,450	25,457,450	5,526,149	2,690,551	8,216,700
2037-2041	8,735,000	512,900	9,247,900	6,743,794	1,472,905	8,216,699
2042-2043	-	-	-	3,096,698	189,979	3,286,677
	$ 54,555,000	$ 11,625,368	$ 66,180,368	$ 20,662,593	$ 8,064,358	$ 28,726,951

Year Ending June 30,	Leases			Total		
	Principal	Interest	Total	Principal	Interest	Total
2027	$ 212,364	$ 22,037	$ 234,401	$ 6,131,697	$ 2,696,324	$ 8,828,021
2028	193,390	16,809	210,199	6,320,588	2,481,599	8,802,187
2029	190,843	11,957	202,800	6,125,080	2,261,625	8,386,705
2030	195,791	7,009	202,800	5,916,767	2,047,798	7,964,565
2031	167,031	1,968	168,999	5,681,239	1,838,375	7,519,614
2032-2036	-	-	-	27,426,149	6,248,001	33,674,150
2037-2041	-	-	-	15,478,794	1,985,805	17,464,599
2042-2043	-	-	-	3,096,698	189,979	3,286,677
	$ 959,419	$ 59,780	$ 1,019,199	$ 76,177,012	$ 19,749,506	$ 95,926,518

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

Legal Debt Margin

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

Claims Payable

The district-wide financial statement reflects workers' compensation benefit liabilities, which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported ("IBNR's"). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that

Note 3 - Detailed Notes on All Funds (Continued)

reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of unpaid claim liabilities is as follows:

	2025-26	2024-25
Unpaid Claims - Beginning of Year	$ 496,434	$ 811,811
Incurred Claims including IBNR's	354,758	296,176
Claims Paid	(463,212)	(611,553)
Unpaid Claims - End of Year	$ 387,980	$ 496,434
Due Within One Year	$ 39,000	$ 50,000

Compensated Absences

Under the terms of the existing collective bargaining agreement with CSEA employees, the School District is required to compensate retiring employees with 15 or more years of service for accumulated sick leave. Full and part-time employees are to be paid at the rates of $50 and $30 per day, respectively, for a maximum of 15 days. Vacation time must be taken in the year earned for twelve month employees. However, twelve month CSEA employees earn vacation after the completion of one year of service and, as a result, the School District has a liability to twelve month CSEA employees for vacation leave earned in the previous year. The value of compensated absences has been reflected in the district-wide financial statements.

Pension Plans

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

	Tier/Plan	Rate
ERS	4 A15	19.60 %
	5 A15	16.60
	6 A15	12.80
TRS	1-6	9.59 %

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

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
Net pension liability (asset)	$ 1,928,999	$ (21,014,980)
School District's proportion of the net pension liability (asset)	0.0341915 %	0.354919 %
Change in proportion since the prior measurement date	(0.0018984) %	0.001416 %

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

Note 3 - Detailed Notes on All Funds (Continued)

present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2026, the School District recognized its proportionate share of pension expense in the district-wide financial statements of $1,013,292, ($2,039,496 for ERS and $(1,026,204) for TRS). Pension expenditures for ERS of $2,170,721, $22,144 and $1,938 were recorded in the fund financial statements and were charged to the General, Special Aid and School Lunch funds, respectively. Pension expenditures for TRS of $6,955,531 and $108,627 were reported in the fund financial statements and were charged to the General and Special Aid funds, respectively.

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

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,103,886	$ -	$ 11,016,535	$ -
Changes of assumptions	331,124	-	8,319,176	226,576
Net difference between projected and actual earnings on pension plan investments	-	3,458,801	-	16,412,647
Changes in proportion and differences between School District contributions and proportionate share of contributions	311,658	352,552	487,821	140,027
School District contributions subsequent to the measurement date	755,411	-	7,050,297	-
	$ 2,502,079	$ 3,811,353	$ 26,873,829	$ 16,779,250

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,120,421	$ -
Changes of assumptions	8,650,300	226,576
Net difference between projected and actual earnings on pension plan investments	-	19,871,448
Changes in proportion and differences between School District contributions and proportionate share of contributions	799,479	492,579
School District contributions subsequent to the measurement date	7,805,708	-
	$ 29,375,908	$ 20,590,603

$755,411 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2027. The $7,050,297 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2026. Other amounts reported as deferred

Note 3 - Detailed Notes on All Funds (Continued)

outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2026	$ -	$ 10,739,606
2027	723,855	(4,335,007)
2028	(1,289,934)	(4,635,384)
2029	(720,605)	(932,269)
2030	(778,001)	1,818,930
Thereafter	-	388,406
	$ (2,064,685)	$ 3,044,282

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

	ERS	TRS
Measurement Date	March 31, 2026	June 30, 2025
Actuarial valuation date	April 1, 2025	June 30, 2024
Investment rate of return	5.9% *	6.95% *
Salary scale	5.2%	2.04%-5.80%
Inflation rate	2.9%	2.5%
Cost of living adjustments	1.5%	1.4%

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

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

	ERS March 31, 2026		TRS June 30, 2025	
Asset Type	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25 %	3.29 %	33 %	6.7 %
International Equity	14	5.85	15	7.4
Private Equity	15	7.00	9	9.8
Real Estate	12	5.20	11	6.5
Domestic Fixed Income Securities	-	-	16	2.6
Global Fixed Income Securities	-	-	2	2.4
High Yield Fixed Income Securities	-	-	1	4.7
Global Equities	-	-	4	7.0
Private Debt	-	-	2	6.1
Real Estate Debt	-	-	6	3.8
Opportunistic/Absolute Return Strategy	3	5.13	-	-
Credit	4	5.10	-	-
Real Assets	4	5.54	-	-
Fixed Income	22	1.75	-	-
Cash	1	0.25	1	0.6
	100 %		100 %	

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	$ 13,174,533	$ 1,928,999	$ (7,472,766)

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	$ 40,380,550	$ (21,014,980)	$ (72,676,123)

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

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

Accrued retirement contributions as of June 30, 2026 were $755,411 to ERS and $8,529,760 to TRS (including employee contributions of $1,479,463).

Voluntary Defined Contribution Plan

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

Other Postemployment Benefit Liability ("OPEB")

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

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

Inactive employees currently receiving benefit payments	538
Active employees	881
	1,419

The School District's total OPEB liability of $248,506,799 was measured as of June 30, 2026, and was determined by an actuarial valuation as of July 1, 2025.

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

Salary increases	3.0%, average, including inflation
Discount rate	4.19%
Healthcare cost trend rates	8.25% for 2027, decreasing 0.25% per year to an ultimate rate of 4.037% for 2075 and later years
Retirees' share of benefit-related costs	Varies from 13.5% to 50.0%, depending on applicable retirement year and bargaining unit

The discount rate was based on the Fidelity GO AA 20 Year Municipal Bond Index as of June 30, 2026.

Note 3 - Detailed Notes on All Funds (Continued)

Mortality rates were based on the sex-distinct and job category specific headcount weighted Pub-2016 Public Retirement Plans Mortality Tables for employees, healthy retirees and contingent survivors adjusted for mortality improvements with Scale MP-2021 mortality improvement scale on a generational basis.

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

Total OPEB Liability - Beginning of Year	$ 238,302,571
Service cost	8,342,478
Interest	9,767,722
Changes of benefit terms	-
Differences between expected and actual experience	(35,771,004)
Changes in assumptions or other inputs	34,847,847
Benefit payments	(6,982,815)
Total OPEB Liability - End of Year	$ 248,506,799

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.19%) or 1 percentage point higher (5.19%) than the current discount rate:

	1% Decrease (3.19%)	Current Discount Rate (4.19%)	1% Increase (5.19%)
Total OPEB Liability	$ 290,362,693	$ 248,506,799	$ 214,820,026

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.25% decreasing to 3.037%) or 1 percentage point higher (9.25% decreasing to 5.037%) than the current healthcare cost trend rates:

	1% Decrease (7.25% decreasing to 3.037%)	Current Healthcare Cost Trend Rates (8.25% decreasing to 4.037%)	1% Increase (9.25% decreasing to 5.037%)
Total OPEB Liability	$ 208,784,266	$ 248,506,799	$ 299,758,199

For the year ended June 30, 2026, the School District recognized OPEB expense of $(5,873,724) in the district-wide financial statements. At June 30, 2026, the School District reported deferred

Note 3 - Detailed Notes on All Funds (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ 35,463,126	$ 43,009,004
Differences between expected and actual experience	5,530,830	101,929,095
	$ 40,993,956	$ 144,938,099

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

Year Ended June 30,	
2027	$ (32,654,293)
2028	(35,354,676)
2029	(29,082,130)
2030	(2,215,053)
2031	(3,467,654)
Thereafter	(1,170,337)
	$ (103,944,143)

F. Revenues and Expenditures

Interfund Transfers

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

	Transfers In			
Transfers Out	Special Aid Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
General Fund	$ 163,271	$ 9,000,000	$ 6,797,069	$ 15,960,340

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

Note 3 - Detailed Notes on All Funds (Continued)

G. Net Position

The components of net position are detailed below:

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

Restricted for Future Capital Projects - MHS Turf Field - the component of net position that has been established in accordance with the Education Law of the State of New York to set aside funds to be used for the MHS Turf.

Restricted for Future Capital Projects - Infrastructure and Facility Upgrades - the component of net position that has been established in accordance with the Education Law of the State of New York to set aside funds to be used for future infrastructure and facility upgrades capital projects.

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

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

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

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

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

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

Restricted for Self-funded Health Insurance - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-n of the General Municipal Law of the State of New York.

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

H. Fund Balances

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:				
Prepaid expenditures	$ 1,153,918	$ -	$ -	$ 1,153,918
Inventories	-	-	28,859	28,859
Total Nonspendable	1,153,918	-	28,859	1,182,777
Restricted:				
Workers' compensation benefits	781,831	-	-	781,831
Unemployment benefits	170,578	-	-	170,578
Tax certiorari	5,874,019	-	-	5,874,019
TRS retirement contributions	1,201,902	-	-	1,201,902
Self-funded health insurance	917,176	-	-	917,176
Insurance	3,977,719	-	-	3,977,719
Future capital projects - MHS turf field	2,158,362	-	-	2,158,362
Future capital projects - Infrastructure and facility upgrades	5,191,737	-	-	5,191,737
Capital projects	-	11,348,923	-	11,348,923
Debt service	-	-	4,587,857	4,587,857
Special purposes - extraclassroom activities	-	-	582,793	582,793
Special purposes - other	-	-	421,256	421,256
Total Restricted	20,273,324	11,348,923	5,591,906	37,214,153
Assigned:				
Purchases on order:				
General government support	1,337,278	-	-	1,337,278
Instruction	830,035	-	-	830,035
	2,167,313	-	-	2,167,313
School Lunch Fund	-	-	201,841	201,841
Total Assigned	2,167,313	-	201,841	2,369,154
Unassigned	6,917,918	-	-	6,917,918
Total Fund Balances	$ 30,512,473	$ 11,348,923	$ 5,822,606	$ 47,684,002

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

The School District is also a defendant in actions in which, on occasion, parents seek reimbursement for tuition paid by them to private schools where they have unilaterally placed (enrolled) their children. If the parents were successful in these claims, they could receive reimbursement for both tuition and attorneys' fees. The School District rigorously contests any liability for these claims, as it feels: a) it had provided an appropriate placement for the children at issue; and b) the parents' unilateral placement are not consistent with the Individuals with Disabilities Education Act. As mentioned above, the School District is contending that any and all cases should be dismissed but has potential liability of approximately $1,110,000 on five of these matters. However, it is not possible to express an opinion on the outcome of these matters.

B. Contingencies

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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

C. Risk Management

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

The School District purchases various insurance coverages from NYSIR to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to $1 million. The School District also maintains liability coverage for school board members up to $1 million and an umbrella policy with coverage up to $10 million.

The School District and neighboring school districts in Southern Westchester County, participate in the Southern Westchester Schools Cooperative Self-Insurance Plan for Workers' Compensation. The purpose of the Plan is to provide efficient and economical evaluation, processing, administration, defense and payment of claims against plan members for workers' compensation and to provide for risk management to reduce future liability for workers' compensation and employers' liability payments. The Plan is managed and governed by a Board of Trustees comprised of a representative from each district. Billings are based upon participants' experience rating. The School District has transferred all related risk to the Plan, except tail claims.

Prior to July 1, 2020, the School District was self-insured for health insurance benefits with stop-loss coverage of $250,000 per claim. Effective July 1, 2020, the School District joined the Municipal Employee's Benefit Consortium ("MEBCO"). MEBCO is a public entity risk pool currently operating as a common risk management and health insurance program for its members. MEBCO was formed in April 1988 pursuant to an act of the Board of Legislators of the County. This act provided cities, towns, villages and school districts throughout the County with an opportunity to participate in a cooperative program for providing health benefits to municipal and school district employees by entering into an intermunicipal agreement pursuant to Article 5-G of the General Municipal Law of the State of New York. The purpose of the pool is to stabilize the cost of medical

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

benefits provided to employees. MEBCO functions primarily as a claims service whereby each participating municipality retains its own risk. MEBCO does not transfer risk since charges to each municipality are ultimately determined by their individual claims/loss experience. Under this plan, the School District is responsible for claims up to $100,000 per year for each member. Claims between $100,000 and $500,000 per year are covered by the captive layer. Stop-loss coverage is provided on claims in excess of $500,000.

There were no reductions in insurance coverage from the previous fiscal year, nor have settlements exceeded insurance coverage in any of the prior three fiscal years.

Note 5 - Recently Issued GASB Pronouncements

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

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

Note 6 - Subsequent Event

The School District, in August 2026, issued $16,025,000 of general obligation serial bonds, due in annual installments through June 2041, with interest at 4% per annum.

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Mamaroneck Union Free School District, New York

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

	Budgeted Amounts		Variance with Original Budget - over (under) Final Budget	Actual Amounts	Encumbr-ances	Variance with Final Budget - over (under) Actual and Encumbrances
	Original	Final				
REVENUES						
Real property taxes	$ 146,443,218	$ 146,443,218	$ -	$ 146,396,242	$	$ (46,976)
Other tax items	2,175,252	2,175,252	-	2,175,102		(150)
Non-property taxes	3,200,000	3,200,000	-	3,495,032		295,032
Charges for services	1,667,000	1,667,000	-	1,896,457		229,457
Use of money and property	2,924,864	2,924,864	-	2,853,363		(71,501)
Sale of property and compensation for loss	-	-	-	111,379		111,379
State aid	12,391,658	12,419,835	28,177	13,419,451		999,616
Federal aid	250,000	250,000	-	253,959		3,959
Miscellaneous	140,000	140,000	-	421,885		281,885
Total Revenues	169,191,992	169,220,169	28,177	171,022,870		1,802,701
EXPENDITURES						
Current						
General support						
Board of education	107,907	95,296	(12,611)	93,668	-	(1,628)
Central administration	486,929	478,900	(8,029)	477,541	316	(1,043)
Finance	1,163,726	1,119,747	(43,979)	1,099,220	2,500	(18,027)
Staff	1,202,775	1,229,402	26,627	1,136,878	28,467	(64,057)
Central services	16,505,001	17,973,906	1,468,905	16,550,338	1,305,995	(117,573)
Special items	1,713,836	1,963,387	249,551	1,869,410	-	(93,977)
Total General Support	21,180,174	22,860,638	1,680,464	21,227,055	1,337,278	(296,305)
Instruction						
Instruction, administration and improvement	7,443,799	7,573,081	129,282	7,553,426	-	(19,655)
Teaching - Regular school	48,678,009	48,327,871	(350,138)	47,935,417	285,088	(107,366)
Programs for students with disabilities	21,486,438	21,092,926	(393,512)	20,417,297	474,168	(201,461)
Programs for English and dual language learners	3,388,945	3,185,200	(203,745)	3,183,252	-	(1,948)
Occupational education	96,925	109,418	12,493	109,416	-	(2)
Teaching - Special schools	386,300	353,690	(32,610)	353,690	-	-
Instructional media	2,328,532	2,253,675	(74,857)	2,233,666	15,296	(4,713)
Pupil services	10,819,451	10,525,785	(293,666)	10,452,362	55,483	(17,940)
Total Instruction	94,628,399	93,421,646	(1,206,753)	92,238,526	830,035	(353,085)
Pupil transportation	5,766,542	6,017,643	251,101	5,980,320	-	(37,323)
Employee benefits	44,060,617	44,349,096	288,479	44,062,879	-	(286,217)
Debt service						
Principal	530,604	535,138	4,534	535,138	-	-
Interest	831,831	829,831	(2,000)	826,515	-	(3,316)
Total Expenditures	166,998,167	168,013,992	1,015,825	164,870,433	2,167,313	(976,246)
Excess of Revenues Over Expenditures	2,193,825	1,206,177	(987,648)	6,152,437	(2,167,313)	2,778,947
OTHER FINANCING USES						
Transfers in	-	2,217	2,217	-	-	(2,217)
Transfers out	(7,049,195)	(15,962,070)	(8,912,875)	(15,960,340)	-	1,730
Total Other Financing Uses	(7,049,195)	(15,959,853)	(8,910,658)	(15,960,340)	-	(487)
Net Change in Fund Balance	(4,855,370)	(14,753,676)	(9,898,306)	(9,807,903)	$ (2,167,313)	$ 2,778,460
FUND BALANCE						
Beginning of Year	4,855,370	14,753,676	9,898,306	40,320,376		
End of Year	$ -	$ -	$ -	$ 30,512,473		

See independent auditors' report.

1. Budgetary Basis and Control

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

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

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

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

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

2. General Fund Budgetary Highlights

Differences - Original Budget to Final Budget

	Variance with Original Budget - over (under) Final Budget	
EXPENDITURES		
General support -		
Central services	$ 1,468,905	Additional authorization provided for significant maintenance projects completed during the year, including expenditures for an air-conditioning project that was carried over from the prior year through open purchase orders.
OTHER FINANCING USES		
Transfers out	(8,912,875)	Appropriation from the future capital projects - infrastructure and facility upgrades capital reserve fund balance of $9,000,000 in the current year.

Differences - Final Budget to Actual and Encumbrances

	Variance with Final Budget - over (under) Actual Amounts and Encumbrances	
REVENUES		
State aid	$ 999,616	The net increase in state aid was driven by record statewide lottery revenue distributions, higher state wagering volumes, and increased local resident public and nonpublic school enrollment. These gains were further compounded by favorable reductions in the District's Combined Wealth Ratio, Resident Weighted Average Daily Attendance (RWADA) wealth ratio, and non-allowable pupil decimal.

Mamaroneck Union Free School District, New York

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

	2026	2025	2024	2023
Total OPEB Liability:				
Service cost	$ 8,342,478	$ 9,088,045	$ 9,735,944	$ 9,428,001
Interest	9,767,722	9,871,956	10,056,993	8,926,406
Changes of benefit terms	-	11,264,074 (6)	(28,108,266) (5)	-
Differences between expected and actual experience	(35,771,004) (7)	-	9,425,781	-
Changes of assumptions or other inputs	34,847,847	(27,887,680)	4,504,667	(2,222,021)
Benefit payments	(6,982,815)	(7,219,298)	(7,623,556)	(6,836,995)
Net Change in Total OPEB Liability	10,204,228	(4,882,903)	(2,008,437)	9,295,391
Total OPEB Liability – Beginning of Year	238,302,571	243,185,474	245,193,911	235,898,520
Total OPEB Liability – End of Year	$ 248,506,799	$ 238,302,571	$ 243,185,474	$ 245,193,911
School District's covered-employee payroll	$ 94,328,466	$ 84,713,173	$ 79,927,833	$ 70,173,431
Total OPEB liability as a percentage of covered-employee payroll	263.45%	281.31%	304.26%	349.41%
Discount Rate	4.19%	4.71%	3.97%	3.86%

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

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

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

(4) Premiums increased less than expected, along with a decrease in the total number of active employees and retirees covered by the plan. The election coverage percentage was revised from 100% to 95% as of July 1, 2021. The mortality improvement scale was revised from MP-2019 to MP-2020. The annual rate of increase in healthcare costs was revised based on the 2022 Getzen Model. Retiree contributions for health care costs were updated to reflect the latest collective bargaining agreements. These updated assumptions led to a reduction in the liability.

(5) Effective January 1, 2024, prescription drug coverage for participants over age 65 in the MEBCO Medical and Drug Plan administered by UMR is provided through an Employer Group Waiver Plan ("EGWP"). This change in benefit terms resulted in a reduction in the liability.

(6) Plan changes based on revised collective bargaining agreements were incorporated into the valuation. These changes included the addition of retiree health benefits for teacher aides, revised retiree health insurance contribution percentages for several bargaining units and the removal of Medicare Part B reimbursements for spouses of administrative retirees hired on or after July 1, 2023.

(7) Primarily attributable to healthcare premium and claims cost increases that were lower than anticipated, as well as demographic experience that differed from actuarial assumptions.

See independent auditors' report.

2022	2021	2020	2019	2018
$ 13,205,486	$ 14,062,500	$ 12,098,703	$ 4,314,842	$ 4,189,167
5,643,902	8,916,445	8,248,619	11,566,335	11,285,803
(16,147)	-	-	-	-
(197,366,997) (4)	-	-	-	-
(60,467,689)	36,455,141	77,556,949	-	-
(6,429,547)	(9,457,448)	(9,219,084)	(7,360,425)	(7,559,073)
(245,430,992)	49,976,638	88,685,187	8,520,752	7,915,897
481,329,512	431,352,874	342,667,687	334,146,935	326,231,038
$ 235,898,520	$ 481,329,512	$ 431,352,874	$ 342,667,687	$ 334,146,935
$ 68,554,378	$ 78,719,738	$ 71,630,485	$ 67,912,337	$ 63,040,312
344.10%	611.45%	602.19%	504.57%	530.05%
3.69%	2.09%	2.44%	3.50%	3.50%

Mamaroneck Union Free School District, New York

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

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

	2026 (3)	2025 (3)	2024 (3)	2023 (2)
School District's proportion of the net pension liability (asset)	0.354919%	0.353503%	0.351620%	0.362194%
School District's proportionate share of the net pension liability (asset)	$ (21,014,980)	$ (10,547,146)	$ 4,021,077	$ 6,950,112
School District's covered payroll	$ 70,262,800	$ 68,091,330	$ 65,588,344	$ 64,949,399
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(29.91)%	(15.49)%	6.13%	10.70%
Plan fiduciary net position as a percentage of the total pension liability	103.99%	102.09%	99.17%	98.57%
Discount Rate	6.95%	6.95%	6.95%	6.95%

Schedule of Contributions

	2026	2025	2024	2023
Contractually required contribution	$ 7,050,297	$ 7,103,569	$ 6,645,714	$ 6,749,041
Contributions in relation to the contractually required contribution	(7,050,297)	(7,103,569)	(6,645,714)	(6,749,041)
Contribution excess	$ -	$ -	$ -	$ -
School District's covered payroll	$ 73,517,174	$ 70,262,800	$ 68,091,330	$ 65,588,344
Contributions as a percentage of covered payroll	9.59%	10.11%	9.76%	10.29%

(1) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.
(2) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.
(3) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

2022 (3)	2021 (2)	2020 (3)	2019 (3)	2018 (3)	2017
0.367569%	0.371465%	0.368193%	0.364203%	0.367915%	0.375450%
$ (63,696,230)	$ 10,264,570	$ (9,565,675)	$ (6,585,757)	$ (2,796,518)	$ 4,021,230
$ 63,046,929	$ 63,848,109	$ 61,904,444	$ 59,831,563	$ 58,752,441	$ 58,402,173
(101.03)%	16.08%	(15.45)%	(11.01)%	(4.76)%	6.89%
113.20%	97.76%	102.17%	101.53%	100.66%	99.01%
6.95%	7.10%	7.10%	7.25%	7.25%	7.50%

2022	2021	2020	2019	2018	2017
$ 6,365,041	$ 6,008,372	$ 5,656,942	$ 6,574,252	$ 5,863,493	$ 6,885,786
(6,365,041)	(6,008,372)	(5,656,942)	(6,574,252)	(5,863,493)	(6,885,786)
$ -	$ -	$ -	$ -	$ -	$ -
$ 64,949,399	$ 63,046,929	$ 63,848,109	$ 61,904,444	$ 59,831,563	$ 58,752,441
9.80%	9.53%	8.86%	10.62%	9.80%	11.72%

Mamaroneck Union Free School District, New York

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

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

	2026 (3)	2025 (2)	2024 (3)	2023 (2)
School District's proportion of the net pension liability (asset)	0.0341915%	0.0360899%	0.0375644%	0.0396202%
School District's proportionate share of the net pension liability (asset)	$ 1,928,999	$ 6,187,873	$ 5,530,999	$ 8,496,174
School District's covered payroll	$ 14,384,610	$ 12,969,665	$ 12,675,854	$ 12,152,694
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	13.41%	47.71%	43.63%	69.91%
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2026	2025	2024	2023
Contractually required contribution	$ 2,086,554	$ 1,855,526	$ 1,534,553	$ 1,357,518
Contributions in relation to the contractually required contribution	(2,086,554)	(1,855,526)	(1,534,553)	(1,357,518)
Contribution excess	$ -	$ -	$ -	$ -
School District's covered payroll	$ 14,800,265	$ 13,410,389	$ 12,733,008	$ 12,158,544
Contributions as a percentage of covered payroll	14.10%	13.84%	12.05%	11.17%

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

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

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

See independent auditors' report.

2022 (3)	2021 (3)	2020 (2)	2019 (2)	2018 (3)	2017
0.0387923%	0.0408117%	0.0423298%	0.0431391%	0.0436370%	0.0452827%
$ (3,171,109)	$ 40,638	$ 11,209,189	$ 3,056,540	$ 1,408,361	$ 4,254,860
$ 12,077,661	$ 11,790,208	$ 12,033,664	$ 12,018,718	$ 11,805,973	$ 11,447,501
(26.26)%	0.34%	93.15%	25.43%	11.93%	37.17%
103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
5.90%	5.90%	6.80%	7.00%	7.00%	7.00%

2022	2021	2020	2019	2018	2017
$ 1,847,879	$ 1,681,134	$ 1,690,459	$ 1,698,956	$ 1,693,888	$ 1,801,998
(1,847,879)	(1,681,134)	(1,690,459)	(1,698,956)	(1,693,888)	(1,801,998)
$ -	$ -	$ -	$ -	$ -	$ -
$ 12,153,865	$ 11,750,712	$ 12,276,772	$ 12,079,245	$ 11,924,230	$ 11,469,592
15.20%	14.31%	13.77%	14.07%	14.21%	15.71%

Mamaroneck Union Free School District, New York

General Fund
Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Variance with Final Budget - Over (Under) Actual
REAL PROPERTY TAXES	$ 146,443,218	$ 146,443,218	$ 146,396,242	$ (46,976)
OTHER TAX ITEMS				
Payments in lieu of taxes	54,293	54,293	54,143	(150)
School tax relief reimbursement	2,120,959	2,120,959	2,120,959	-
	2,175,252	2,175,252	2,175,102	(150)
NON-PROPERTY TAXES				
Non-property tax distribution from County	3,200,000	3,200,000	3,495,032	295,032
CHARGES FOR SERVICES				
Day school tuition - Individuals	42,000	42,000	53,870	11,870
Day school tuition - Other districts	375,000	375,000	424,658	49,658
Health services - Other districts	985,000	985,000	1,124,579	139,579
Transportation - Other districts	25,000	25,000	25,000	-
Other services for other districts and other governments	240,000	240,000	268,350	28,350
	1,667,000	1,667,000	1,896,457	229,457
USE OF MONEY AND PROPERTY				
Earnings on investments	2,375,864	2,375,864	2,318,066	(57,798)
Rental of real property	549,000	549,000	535,297	(13,703)
	2,924,864	2,924,864	2,853,363	(71,501)
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	99,449	99,449
Minor sales	-	-	11,930	11,930
	-	-	111,379	111,379
STATE AID				
Basic formula	10,527,944	10,527,944	8,507,891	(2,020,053)
Lottery	300,000	300,000	2,655,436	2,355,436
Tuition for students with disabilities	-	-	116,157	116,157
Transportation for students with disabilities	1,030,898	1,030,898	1,420,337	389,439
Textbooks	500,866	500,866	361,325	(139,541)
Computer software	31,950	31,950	127,802	95,852
Library	-	-	39,862	39,862
Homeless aid	-	28,177	28,177	-
Other	-	-	162,464	162,464
	12,391,658	12,419,835	13,419,451	999,616
FEDERAL AID				
Medicaid assistance	250,000	250,000	253,959	3,959

(Continued)

Mamaroneck Union Free School District, New York

General Fund
Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Variance with Final Budget - Over (Under) Actual
MISCELLANEOUS				
Refund of prior year's expenditures	$ 70,000	$ 70,000	$ 353,530	$ 283,530
Reimbursement of Medicare Part D expenditures	-	-	7,552	7,552
Other	70,000	70,000	60,803	(9,197)
	140,000	140,000	421,885	281,885
TOTAL REVENUES	169,191,992	169,220,169	171,022,870	1,802,701
OTHER FINANCING SOURCES				
Transfers in				
Special Purpose Fund	-	2,217	-	(2,217)
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 169,191,992	$ 169,222,386	$ 171,022,870	$ 1,800,484

See independent auditors' report.

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget - Over (Under) Actual and Encumbrances
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	$ 30,046	$ 27,815	$ 27,706	$ -	$ (109)
District clerk	28,214	23,214	23,182	-	(32)
District meeting	49,647	44,267	42,780	-	(1,487)
Total Board of Education	107,907	95,296	93,668	-	(1,628)
CENTRAL ADMINISTRATION					
Chief school administrator	486,929	478,900	477,541	316	(1,043)
FINANCE					
Business administration	812,498	819,046	811,839	-	(7,207)
Auditing	121,719	99,485	88,922	2,500	(8,063)
Treasurer	132,202	106,061	105,561	-	(500)
Purchasing	94,807	92,655	90,498	-	(2,157)
Fiscal agent fees	2,500	2,500	2,400	-	(100)
Total Finance	1,163,726	1,119,747	1,099,220	2,500	(18,027)
STAFF					
Legal	285,000	367,566	309,422	27,607	(30,537)
Personnel	782,158	734,379	718,584	860	(14,935)
Public information and services	135,617	127,457	108,872	-	(18,585)
Total Staff	1,202,775	1,229,402	1,136,878	28,467	(64,057)
CENTRAL SERVICES					
Operation and maintenance of plant	14,482,981	15,442,356	14,204,594	1,138,340	(99,422)
Central printing and mailing	30,000	19,057	17,889	-	(1,168)
Central data processing	1,992,020	2,512,493	2,327,855	167,655	(16,983)
Total Central Services	16,505,001	17,973,906	16,550,338	1,305,995	(117,573)
SPECIAL ITEMS					
Unallocated insurance	1,027,113	1,032,911	1,030,766	-	(2,145)
Judgments and claims	12,364	270,664	200,733	-	(69,931)
Taxes on school property	449,764	453,340	452,048	-	(1,292)
Administrative charge - BOCES	224,595	206,472	185,863	-	(20,609)
Total Special Items	1,713,836	1,963,387	1,869,410	-	(93,977)
Total General Support	21,180,174	22,860,638	21,227,055	1,337,278	(296,305)
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	629,353	631,527	631,013	-	(514)
Building administration	5,354,802	5,447,296	5,445,507	-	(1,789)
Research, planning and evaluation	771,460	747,129	734,196	-	(12,933)
Professional development	199,900	177,894	177,544	-	(350)
In-service training - Instruction	488,284	569,235	565,166	-	(4,069)
Total Instruction, Administration and Improvement	7,443,799	7,573,081	7,553,426	-	(19,655)

(Continued)

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget - Over (Under) Actual and Encumbrances
INSTRUCTION (Continued)					
TEACHING - REGULAR SCHOOL	$ 48,678,009	$ 48,327,871	$ 47,935,417	$ 285,088	$ (107,366)
PROGRAMS FOR STUDENTS WITH DISABILITIES	21,486,438	21,092,926	20,417,297	474,168	(201,461)
PROGRAMS FOR ENGLISH AND DUAL LANGUAGE LEARNERS	3,388,945	3,185,200	3,183,252	-	(1,948)
OCCUPATIONAL EDUCATION	96,925	109,418	109,416	-	(2)
TEACHING - SPECIAL SCHOOLS	386,300	353,690	353,690	-	-
INSTRUCTIONAL MEDIA					
School library and audiovisual	1,133,563	1,110,559	1,106,923	-	(3,636)
Computer assisted instruction	1,194,969	1,143,116	1,126,743	15,296	(1,077)
Total Instructional Media	2,328,532	2,253,675	2,233,666	15,296	(4,713)
PUPIL SERVICES					
Guidance - Regular school	3,010,862	3,142,085	3,141,604	-	(481)
Health services - Regular school	1,732,824	1,553,965	1,544,938	92	(8,935)
Psychological services - Regular school	2,336,334	2,224,919	2,224,919	-	-
Social work services - Regular school	1,169,016	1,053,091	1,053,091	-	-
Co-curricular activities - Regular school	746,508	657,237	647,079	10,090	(68)
Interscholastic athletics - Regular school	1,823,907	1,894,488	1,840,731	45,301	(8,456)
Total Pupil Services	10,819,451	10,525,785	10,452,362	55,483	(17,940)
Total Instruction	94,628,399	93,421,646	92,238,526	830,035	(353,085)
PUPIL TRANSPORTATION					
District transportation services	160,347	147,483	147,108	-	(375)
Contract transportation	5,587,486	5,851,301	5,818,345	-	(32,956)
Building	18,709	18,859	14,867	-	(3,992)
Total Pupil Transportation	5,766,542	6,017,643	5,980,320	-	(37,323)
EMPLOYEE BENEFITS					
State retirement	2,385,732	2,229,014	2,170,721	-	(58,293)
Teachers' retirement	7,131,583	7,027,593	6,955,531	-	(72,062)
Social security	6,680,623	6,672,019	6,644,321	-	(27,698)
Life insurance	98,175	104,931	104,931	-	-
Hospital, medical and dental insurance	27,071,354	27,498,252	27,489,988	-	(8,264)
Workers' compensation	480,283	567,283	463,212	-	(104,071)
Unemployment benefits	40,000	80,000	74,760	-	(5,240)
Disability insurance	32,488	29,625	20,456	-	(9,169)
Other	140,379	140,379	138,959	-	(1,420)
Total Employee Benefits	44,060,617	44,349,096	44,062,879	-	(286,217)

(Continued)

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended June 30, 2026

	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget - Over (Under) Actual and Encumbrances
DEBT SERVICE					
Principal					
Energy performance contract	$ 370,604	$ 370,604	$ 370,604	$ -	$ -
Leases	160,000	164,534	164,534	-	-
	530,604	535,138	535,138	-	-
Interest					
Energy performance contract	823,831	823,831	821,575	-	(2,256)
Leases	8,000	6,000	4,940	-	(1,060)
	831,831	829,831	826,515	-	(3,316)
Total Debt Service	1,362,435	1,364,969	1,361,653	-	(3,316)
TOTAL EXPENDITURES	166,998,167	168,013,992	164,870,433	2,167,313	(976,246)
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	-	9,000,000	9,000,000	-	-
Special Aid Fund	195,000	165,000	163,271	-	(1,729)
Debt Service Fund	6,854,195	6,797,070	6,797,069	-	(1)
TOTAL OTHER FINANCING USES	7,049,195	15,962,070	15,960,340	-	(1,730)
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 174,047,362	$ 183,976,062	$ 180,830,773	$ 2,167,313	$ (977,976)

See independent auditors' report.

Mamaroneck Union Free School District, New York

Capital Projects Fund
Project-Length Schedule
Inception of Project Through June 30, 2026

PROJECT	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
2019 Bond Projects					
High School Fire Alarm	$ 2,113,585	$ 2,113,585	$ -	$ 2,113,585	$ -
High School Renovations	11,161,653	11,156,203	5,450	11,161,653	-
MHS Palmer Electric Upgrade	300,000	10,600	19,475	30,075	269,925
Central School Renovations	3,972,515	3,792,510	53,373	3,845,883	126,632
Mamaroneck Avenue School Renovations	7,384,416	7,384,416	-	7,384,416	-
Chatsworth Avenue School Renovations	8,322,759	8,322,759	-	8,322,759	-
Murray Avenue School Electric Upgrade	338,979	338,979	-	338,979	-
Murray Avenue School Renovations	8,224,580	8,224,580	-	8,224,580	-
Transportation Garage	526,649	526,649	-	526,649	-
Hommocks Middle School Renovations	4,210,071	4,005,280	57,135	4,062,415	147,656
Hommocks Middle School Pool Locker Room	3,199,963	2,999,963	124,781	3,124,744	75,219
Total 2019 Bond Projects	49,755,170	48,875,524	260,214	49,135,738	619,432
Energy Performance Contract					
Mamaroneck High School	6,301,733	2,977,777	2,731,151	5,708,928	592,805
Hommocks Middle School	6,047,475	3,432,500	2,251,040	5,683,540	363,935
Central School	1,477,679	1,025,705	384,896	1,410,601	67,078
Chatsworth Avenue School	1,884,865	878,509	920,796	1,799,305	85,560
Mamaroneck Avenue School	3,659,248	1,402,863	1,161,035	2,563,898	1,095,350
Murray Avenue School	369,726	139,408	213,874	353,282	16,444
Transportation Garage	154,274	53,917	93,014	146,931	7,343
Total Energy Performance Contract	19,895,000	9,910,679	7,755,806	17,666,485	2,228,515

Methods of Financing					
Proceeds of Obligations	Transfers In	Federal Aid	Other	Total	Fund Balance (Deficit) at June 30, 2026
$ 2,113,585	$ -	$ -	$ -	$ 2,113,585	$ -
11,161,653	-	-	-	11,161,653	-
300,000	-	-	-	300,000	269,925
3,972,515	-	-	-	3,972,515	126,632
7,384,416	-	-	-	7,384,416	-
7,833,759	489,000	-	-	8,322,759	-
338,979	-	-	-	338,979	-
8,224,580	-	-	-	8,224,580	-
526,649	-	-	-	526,649	-
4,210,071	-	-	-	4,210,071	147,656
3,199,963	-	-	-	3,199,963	75,219
49,266,170	489,000	-	-	49,755,170	619,432
6,301,733	-	-	-	6,301,733	592,805
6,047,475	-	-	-	6,047,475	363,935
1,477,679	-	-	-	1,477,679	67,078
1,884,865	-	-	-	1,884,865	85,560
3,659,248	-	-	-	3,659,248	1,095,350
369,726	-	-	-	369,726	16,444
154,274	-	-	-	154,274	7,343
19,895,000	-	-	-	19,895,000	2,228,515

Mamaroneck Union Free School District, New York

Capital Projects Fund
Project-Length Schedule
Inception of Project Through June 30, 2026

PROJECT	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
2024 Bond Projects					
Mamaroneck High School	$ 2,286,057	$ 449,818	$ 1,429,856	$ 1,879,674	$ 406,383
Mamaroneck High School	7,272,497	575,000	3,969,252	4,544,252	2,728,245
Hommocks Middle School	5,132,794	188,719	751,379	940,098	4,192,696
Central School	2,420,231	81,630	707,170	788,800	1,631,431
Chatsworth Avenue School	1,994,311	98,650	1,219,558	1,318,208	676,103
Mamaroneck Avenue School	1,088,977	197,735	551,552	749,287	339,690
Mamaroneck Avenue School	2,071,600	-	1,370,290	1,370,290	701,310
Murray Avenue School	8,258,533	248,029	427,732	675,761	7,582,772
Total 2024 Bond Projects	30,525,000	1,839,581	10,426,789	12,266,370	18,258,630
MHS PA System	779,323	-	-	-	779,323
Hommocks PA System	606,169	-	-	-	606,169
Uncommitted Capital Projects from Voter Approved Reserve	5,114,508	-	-	-	5,114,508
Hurricane Ida Projects	3,606,318	3,482,228	124,090	3,606,318	-
Town Center Field	600,000	-	500,000	500,000	100,000
Xerox Copiers Leases	951,655	-	951,655	951,655	-
Totals	$ 111,833,143	$ 64,108,012	$ 20,018,554	$ 84,126,566	$ 27,706,577

See independent auditors' report.

Methods of Financing					
Proceeds of Obligations	Transfers In	Federal Aid	Other	Total	Fund Balance (Deficit) at June 30, 2026
$ 1,879,674	$ -	$ -	$ -	$ 1,879,674	$ -
4,544,252	-	-	-	4,544,252	-
1,073,822	-	-	-	1,073,822	133,724
1,064,467	-	-	-	1,064,467	275,667
1,318,208	-	-	-	1,318,208	-
749,287	-	-	-	749,287	-
1,370,290	-	-	-	1,370,290	-
-	2,500,000	-	-	2,500,000	1,824,239
12,000,000	2,500,000	-	-	14,500,000	2,233,630
-	779,323	-	-	779,323	779,323
-	606,169	-	-	606,169	606,169
-	5,114,508	-	-	5,114,508	5,114,508
-	250,000	1,256,629	2,367,035	3,873,664	267,346
-	-	-	-	-	(500,000)
951,655	-	-	-	951,655	-
$ 82,112,825	$ 9,739,000	$ 1,256,629	$ 2,367,035	$ 95,475,489	$ 11,348,923

Mamaroneck Union Free School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2026

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
ASSETS				
Cash and equivalents	$ 684,094	$ 923,285	$ 525,630	$ 2,133,009
Investments	-	10,700	892,897	903,597
Receivables				
Accounts	-	79,659	-	79,659
State and Federal aid	278,595	-	-	278,595
Due from other funds	-	-	3,169,330	3,169,330
	278,595	79,659	3,169,330	3,527,584
Inventories	28,859	-	-	28,859
Total Assets	$ 991,548	$ 1,013,644	$ 4,587,857	$ 6,593,049
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 186,076	$ 9,595	$ -	$ 195,671
Accrued liabilities	269	-	-	269
Due to other funds	493,174	-	-	493,174
Unearned revenues	81,329	-	-	81,329
Total Liabilities	760,848	9,595	-	770,443
Fund balances				
Nonspendable	28,859	-	-	28,859
Restricted	-	1,004,049	4,587,857	5,591,906
Assigned	201,841	-	-	201,841
Total Fund Balances	230,700	1,004,049	4,587,857	5,822,606
Total Liabilities and Fund Balances	$ 991,548	$ 1,013,644	$ 4,587,857	$ 6,593,049

See independent auditors' report.

Mamaroneck Union Free School District, New York

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2026

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
REVENUES				
Use of money and property	$ 3,549	$ 272	$ 666,532	$ 670,353
State aid	1,099,322	-	-	1,099,322
Federal aid	810,746	-	-	810,746
Food sales	299,057	-	-	299,057
Miscellaneous	-	1,429,515	-	1,429,515
Total Revenues	2,212,674	1,429,787	666,532	4,308,993
EXPENDITURES				
Current				
Community services	-	285,263	-	285,263
Cost of food sales	2,225,280	-	-	2,225,280
Other	-	962,373	-	962,373
Debt service				
Principal	-	-	4,800,000	4,800,000
Interest	-	-	1,997,069	1,997,069
Total Expenditures	2,225,280	1,247,636	6,797,069	10,269,985
Excess (Deficiency) of Revenues Over Expenditures	(12,606)	182,151	(6,130,537)	(5,960,992)
OTHER FINANCING SOURCES				
Transfers in	-	-	6,797,069	6,797,069
Net Change in Fund Balances	(12,606)	182,151	666,532	836,077
FUND BALANCES				
Beginning of Year	243,306	821,898	3,921,325	4,986,529
End of Year	$ 230,700	$ 1,004,049	$ 4,587,857	$ 5,822,606

See independent auditors' report.

Mamaroneck Union Free School District, New York

General Fund
Analysis of Change from Adopted Budget to Final Budget
Year Ended June 30, 2026

Adopted Budget	$ 169,191,992
Additions - Encumbrances	4,855,370
Original Budget	174,047,362
Budget Amendments	9,928,700
Final Budget	$ 183,976,062

General Fund
Section 1318 of Real Property Tax Law Limit Calculation

2026-27 Expenditure Budget		$ 176,560,406
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	$ 2,167,313	
Unassigned fund balance	6,917,918	
Total Unrestricted Fund Balance	9,085,231	
Less		
Encumbrances	2,167,313	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 6,917,918
Actual Percentage		3.92%

See independent auditors' report.

Mamaroneck Union Free School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2026

Capital Assets, net		$ 150,989,268
Less		
Accounts payable, net	$ (3,704,472)	
General obligation bonds payable - Capital construction	(54,555,000)	
Energy performance contract payable	(20,662,593)	
Leases payable	(959,419)	
Unamortized portion of issuance premium on bonds	(2,469,811)	(82,351,295)
Plus		
Unexpended bond proceeds		6,961,810
Net Investment in Capital Assets		$ 75,599,783

See independent auditors' report.

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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

Independent Auditors' Report

The Board of Education of the
Mamaroneck Union Free School District, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Mamaroneck Union Free School District, New York ("School District") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 6, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
October 6, 2026