

SCHODACK CENTRAL SCHOOL DISTRICT

**Financial Statements and Required Report
As of and For the Year Ended
June 30, 2025
Together with
Independent Auditor's Report**

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INDEPENDENT AUDITOR'S REPORT

October 11, 2025

To the Board of Education of
Schodack Central School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Schodack Central School District (School District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the 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 Schodack Central School District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Supplementary Information

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

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Schedule of Change from Original Budget to Revised Budget and the Real Property Tax Limit Calculation - General Fund, Schedule of Project Expenditures - Capital Projects Fund and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2025, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

SCHODACK CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The following is a discussion and analysis of Schodack Central School District's (School District) financial performance for the fiscal year ended June 30, 2025. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Government-wide net position of the School District was (\$29,395,477).
- Government-wide net position was \$2,986,462 greater than at June 30, 2024.
- Combined fund balance was \$11,198,651.
- Combined fund balance was \$4,712,318 greater than at June 30, 2024.
- The School District substantially continued to offer all programs, without reducing services, while maintaining fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

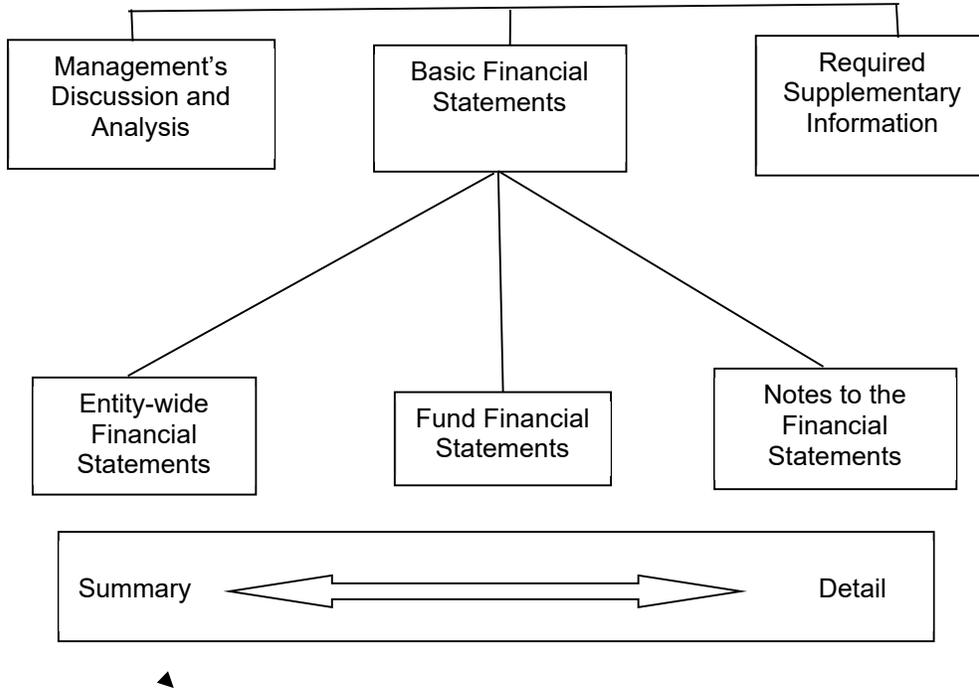
- The first two statements are *Government-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the Government-wide statements.
- The *governmental funds statements* tell how basic services, such as special education, were financed in the *short-term*.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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



OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

	Government-Wide	Fund Financial Statements
	Government-Wide	Governmental Funds
Scope	Entire School District	The daily operating activities of the School District, such as instruction and special education.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and change in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.
Type of asset/liability, deferred outflows/inflows of resources information	All assets, liabilities, deferred outflows & inflows of resources both financial and capital, short-term and long-term debt.	Current assets and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

Fund Financial Statements

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

The School District has the following types of funds:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund, capital projects fund, and the miscellaneous special revenue fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the School District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

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

	Fiscal Year 2025	Fiscal Year 2024	Percent Change
Current and other assets	\$ 19,239	\$ 14,895	29.16%
Capital assets	44,999	44,087	2.07%
Noncurrent assets	<u>1,446</u>	<u>-</u>	100.00%
Total assets	<u>65,683</u>	<u>58,982</u>	11.36%
Deferred outflows of resources	<u>5,398</u>	<u>7,965</u>	-32.23%
Current liabilities	11,395	11,541	-1.27%
Long-term liabilities	<u>71,819</u>	<u>75,651</u>	-5.06%
Total liabilities	<u>83,214</u>	<u>87,192</u>	-4.56%
Deferred inflows of resources	<u>17,262</u>	<u>12,138</u>	42.22%
Net position:			
Net investment in capital assets	13,604	16,034	-15.15%
Restricted	8,581	10,816	-20.66%
Unrestricted	<u>(51,581)</u>	<u>(59,232)</u>	12.92%
Total net position	<u>\$ (29,395)</u>	<u>\$ (32,382)</u>	9.22%

The change in deferred outflows of resources is primarily due to a change in assumptions used by the actuary in calculating Other Post-Employment Benefits liability and pensions.

The long-term liabilities decreased in current year due to a decrease in Other Post-Employment Benefits liability.

Changes in Net Position

The School District's 2025 revenue was \$29,935,891 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 48% and 36%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from investment earnings, federal aid, grants, space rentals, school lunch sales, charges for services, and other miscellaneous sources.

The total cost of all programs and services totaled \$26,949,429 for 2025. These expenses are predominately for the education, supervision, and transportation of students (see Figure A-6). The School District's administrative and business activities accounted for 20% of total costs.

Net position increased during the year by \$2,986,462 due primarily to the effects of recognizing other post-employment benefits as well as the effects of ERS and TRS proportionate liabilities, deferred outflows, liabilities and deferred inflows.

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

Changes in Net Position (Continued)

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

	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>	Percent <u>Change</u>
Revenue:			
Charges for services	\$ 250	\$ 370	-32.37%
Operating grants	1,425	1,749	-18.53%
General revenue:			
Property taxes	14,664	14,110	3.93%
Other property tax items	941	1,015	-7.29%
Use of money and property	530	623	-14.99%
Sale of property and compensation for loss	533	373	42.84%
State aid	10,839	10,990	-1.37%
Medicaid reimbursement	14	29	-50.64%
Miscellaneous	<u>740</u>	<u>762</u>	-2.89%
Total revenue	<u>29,936</u>	<u>30,021</u>	-0.28%
Expenses:			
General support	4,346	5,278	-17.66%
Instruction	18,936	18,945	-0.05%
Transportation	2,248	2,598	-13.47%
Debt service - Interest	854	619	37.92%
Cost of sales - Food	<u>565</u>	<u>548</u>	3.19%
Total expenses	<u>26,949</u>	<u>27,988</u>	-3.71%
Change in net position	<u>\$ 2,986</u>	<u>\$ 2,033</u>	-46.90%

Significant changes in revenue from 2023/2024 to 2024/2025 school year included increased property taxes. The School District realized lower revenue from state aid, federal grants and medicaid reimbursement.

Significant changes in expenditures from 2023/2024 to 2024/2025 school year included higher costs in instructional support and debt service interest. Lower costs year over year were found in general support and transportation.

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

Figure A-5: Revenue Sources for 2025:

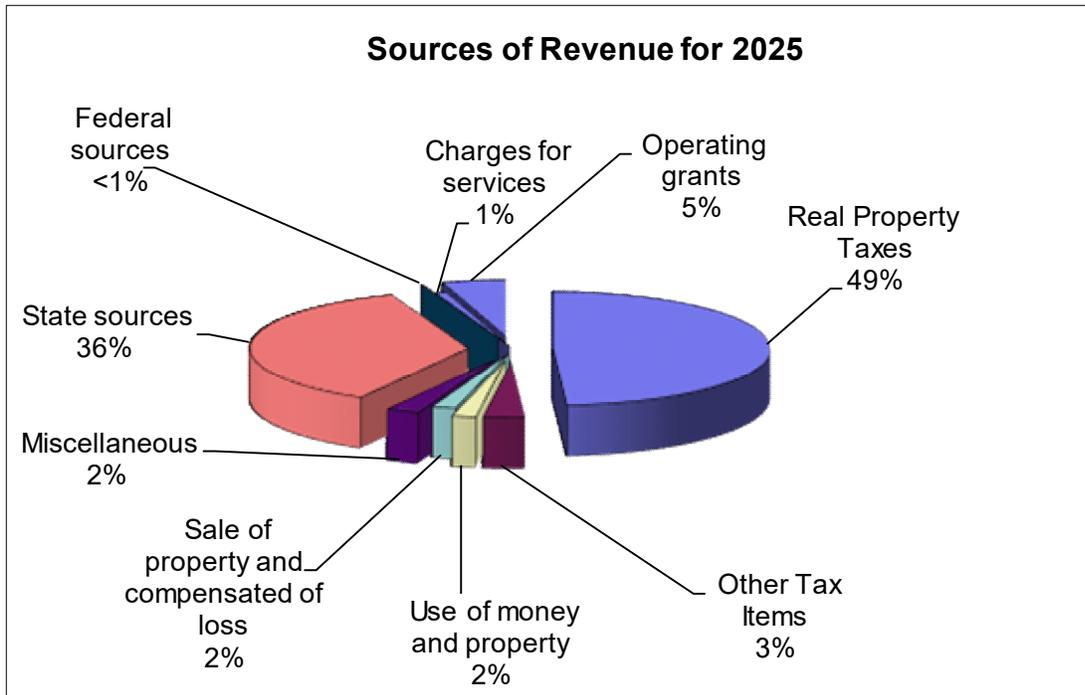
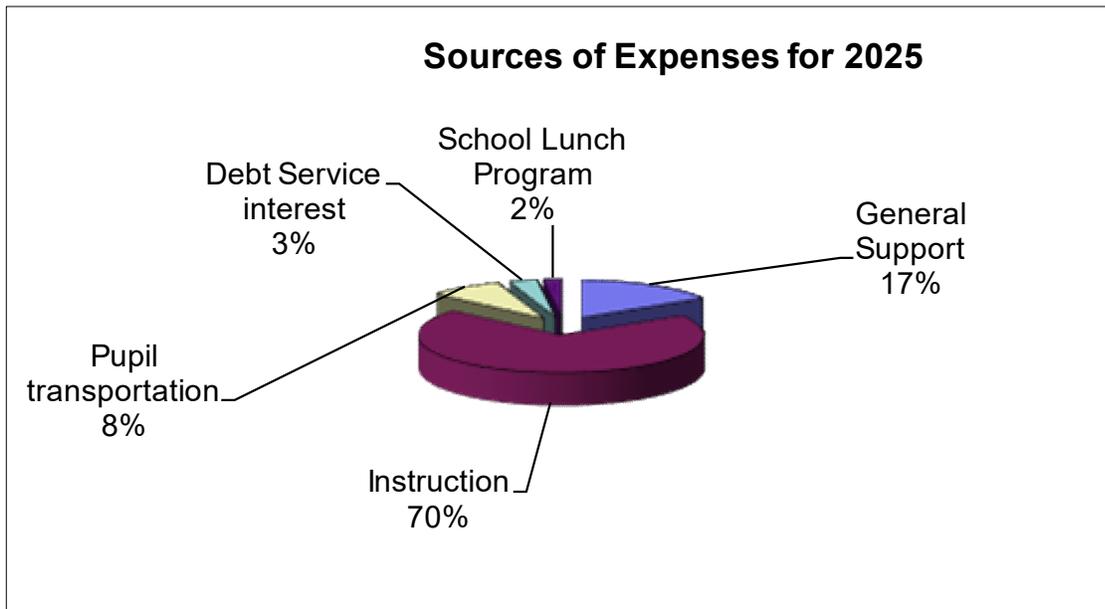


Figure A-6: Sources of Expenses for 2025:



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

Governmental Activities

Revenue for the School District's governmental activities totaled \$29,935,891 while total expenses were \$26,949,429. Accordingly, net position increased by \$2,986,462. The continuation of the School District's solid financial condition can be contributed to:

- Effective leadership by the administration and the Board of Education.
- Community support for the School District's annual budget.
- Savings generated in employee benefits (health insurance, workers compensation) due to School District participation in health insurance and workers compensation consortiums.
- Strategic use of services from the BOCES.
- Conservative revenue budgeting.

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

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

	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
General support	\$ 4,346	\$ 4,346	\$ 5,278	\$ 5,278
Instruction	18,936	17,878	18,945	17,383
Pupil transportation	2,248	2,248	2,598	2,598
Debt service - Interest	854	854	619	619
Cost of sales - Food	565	(52)	548	(9)
	<u>\$ 26,949</u>	<u>\$ 25,274</u>	<u>\$ 27,988</u>	<u>\$ 25,869</u>

The cost of all governmental activities for the year was \$26,949,429.

- The users of the School District's programs financed \$250,227 of the costs through charges for services.
- The federal and state government financed \$1,424,921 of the costs through operating grants.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

Governmental Funds Highlights

General Fund – The School District's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The original budget for the General Fund was revised by \$101,956 during the year. The supplemental appropriations consist of \$101,237 for sale of property and compensation for loss and \$719 for miscellaneous revenue.

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

Governmental Funds Highlights

In the General Fund for the year-ended, June 30, 2025, actual revenues exceeded expenditures by \$1,209,215 and the School District continued to offer a full educational program. Significant revenue sources include Real Property Taxes, STAR Reimbursement and Other Tax Items, and State Aid. New York State operating aid is tied to the growth in New York State personal income and the available funds in the state budget. Actual expenditures and encumbrances were \$2,018,576 less than revised budget. For the fiscal year 2025-2026, the School District has appropriated \$700,000 of fund balance to reduce the tax levy.

The total fund balance in the General Fund increased by \$1,209,215, during the 2024-2025 school year. At June 30, 2025, unassigned fund balance amounts to \$1,178,327 and total restricted fund balance is \$7,420,377.

Significant favorable expense variances were reflected in the governmental funds financial statements for 2024-2025 in the areas of Transportation and Employee Benefits. Transportation savings were generated from bus drivers being replaced at lower pay, and consolidated bus runs. Employee benefits reflected health insurance plans reflecting favorable experience and below market rate increases in Blue Shield and CDPHP plans, as well as pension savings reflecting the introduction of Tier V and VI in recent budget years.

Special Aid Fund – Between ARP and CRRSA grants ending, the School District received \$454,236 less in grant funds, as compared to the 2023-2024 school year.

School Lunch Fund – The fund ended the year with a fund balance of \$316,295, which is an increase of \$58,465 from prior year. The main factor for the increase in the school lunch fund was the significant increase in student participation in the food service program due to the Community Eligibility Provision (CEP) program where all Schodack students can eat breakfast and lunch at no cost.

Capital Projects Fund – The fund ended the year with a fund balance of \$709,546, an increase of \$3,676,163 from prior year. The increase in fund balance is due to decreased capital project expenditures.

Debt Service Fund – The fund ended the year with a fund balance of \$0.

Miscellaneous Special Revenue Fund – The fund ended the year with a fund balance of \$545,910. This fund includes scholarships, extracurricular activities, and student/faculty deposits.

General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the general fund.

Revenue Variances

During the fiscal year ending June 30, 2025, there was a revenue budget surplus. On the revenue side, use of money and property shows a positive variance from higher interest rates. Miscellaneous revenue shows a positive variance primarily associated with a large pharmacy true-up payment.

Expenditure Variances

The School District has a net favorable budgetary surplus of \$2,018,576. In the Instructional category, many new hires were paid using federal grant funds. Pupil transportation shows a favorable variance due to bus drivers who have been replaced at lower pay, and consolidated bus runs, creating efficiencies and reduced personnel costs.

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

General Fund Budgetary Highlights (Continued)

Results vs. Budget (In Thousands of Dollars)

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

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Local sources	\$ 16,742	\$ 16,844	\$ 17,442	\$ -	\$ 598
State sources	10,834	10,834	10,794	-	(40)
Federal sources	35	35	-	-	(35)
Medicaid reimbursement	65	65	14	-	(51)
Total	<u>27,676</u>	<u>27,778</u>	<u>28,250</u>	<u>-</u>	<u>472</u>
Expenditures:					
General support	3,300	3,613	3,376	73	165
Instruction	12,873	12,964	12,566	26	372
Transportation	1,531	1,684	1,432	211	41
Employee benefits	8,031	7,609	6,584	18	1,024
Debt Service	2,827	2,827	2,960	-	(134)
Total	<u>28,561</u>	<u>28,696</u>	<u>26,918</u>	<u>328</u>	<u>1,468</u>
Other financing sources (uses)					
Proceeds from the issuance of leases	-	-	197	-	(197)
Premium on issuance of debt	-	-	24	-	(24)
Transfers in	130	130	357	-	(227)
Transfers out	(132)	(132)	(701)	-	568
Total	<u>(2)</u>	<u>(2)</u>	<u>(123)</u>	<u>-</u>	<u>121</u>
Revenue over/under expenditures	<u>\$ (887)</u>	<u>\$ (920)</u>	<u>\$ 1,209</u>	<u>\$ (328)</u>	<u>\$ 1,819</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the School District had \$44,998,703 invested in buildings, computers, and other educational equipment.

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

	Fiscal Year 2025	Fiscal Year 2024
Land	\$ 19	\$ 19
Buildings and improvements	42,850	36,184
Construction in progress	104	5,722
Furniture & Equipment	1,269	1,394
Vehicles	757	768
Total	<u>\$ 44,999</u>	<u>\$ 44,087</u>

Long-Term Liabilities

As of June 30, 2025, the School District had \$75,468,071 in long-term liabilities. Detailed information about the School District's long-term liabilities is included in the notes to the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

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

	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>
General obligation bonds	\$ 26,073	\$ 21,969
Compensated absences	408	668
Lease obligations	286	215
Net pension liability	1,303	1,270
Total other postemployment benefits	<u>47,398</u>	<u>54,348</u>
Total	<u>\$ 75,468</u>	<u>\$ 78,470</u>

During 2025, the School District paid down its long-term bonded debt by \$1,405,000. Further the School District's OPEB liability decreased by \$6.95 million due to the net effect of changes in actuarial assumptions.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the School District was aware of the following existing conditions that could significantly affect its financial health in the future:

2024-2025 was the twelfth year of the "2%" tax cap. While there was a learning curve for the community that a 2% tax cap did not mean a 2% tax levy increase, the School District's budgets for 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, and 2024-25 still passed by over 60%.

As the School District looks to the 2025-2026 school year, the School District continues to deal with labor shortage. The School District is currently looking to hire staffing in all substitute categories, support staff, transportation department, as well as the facilities teams. The School District will continue to look for grant opportunities and the planned use of reserve funds to fill in the gaps.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Ryan Palmer
Assistant Superintendent of Business & Support Services
Schodack Central School District
Business Office
1447 South Schodack Road
Castleton, NY 12033

SCHODACK CENTRAL SCHOOL DISTRICT**STATEMENT OF NET POSITION
JUNE 30, 2025****ASSETS**

CURRENT ASSETS:

Cash and cash equivalents - unrestricted	\$ 3,826,965
Cash and cash equivalents - restricted	8,581,194
Cash with fiscal agent	5,727,160
Accounts receivable	21,409
State and federal aid receivable	634,763
Due from other governments	436,005
Inventory	11,017
	<hr/>
Total current assets	19,238,513

NONCURRENT ASSETS:

Net pension asset - TRS	1,446,090
Capital assets, net	44,998,703
	<hr/>
Total noncurrent assets	46,444,793

TOTAL ASSETS

65,683,306**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources - ERS	733,962
Deferred outflows of resources - TRS	3,336,806
Deferred outflows of resources - OPEB	926,912
Deferred outflows of resources - refunding	399,934
	<hr/>
Total Deferred Outflows of Resources	5,397,614

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

71,080,920**LIABILITIES**

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	297,996
Unearned revenue	96,591
Due to Teachers' Retirement System	1,022,412
Due to Employees' Retirement System	141,087
Bond interest accrual	137,844
Due to other governments	109
Leases payable due within one year	123,909
Current portion of compensated absences payable	27,307
Total other postemployment benefits liability due within one year	2,012,369
Bond anticipation note payable	6,050,000
Bonds payable due within one year	1,485,000
	<hr/>
Total current liabilities	11,394,624

LONG-TERM LIABILITIES:

Bonds payable, net of current portion	22,365,000
Bonds premium, net	2,223,443
Leases payable, net of current portion	161,696
Net pension liability - ERS	1,302,781
Total other postemployment benefits liability, net of current portion	45,385,851
Compensated absences payable, net of current portion	380,715
	<hr/>
Total long-term liabilities	71,819,486

TOTAL LIABILITIES

83,214,110**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources - ERS	125,555
Deferred inflows of resources - TRS	1,842,894
Deferred inflows of resources - OPEB	15,293,838
	<hr/>
Total Deferred Inflows of Resources	17,262,287

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

100,476,397**NET POSITION**

Net investment in capital assets	13,604,496
Restricted	8,581,194
Unrestricted	(51,581,167)
	<hr/>
TOTAL NET POSITION	\$ (29,395,477)

SCHODACK CENTRAL SCHOOL DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS:				
General support	\$ 4,345,825	\$ -	\$ -	\$ (4,345,825)
Instruction	18,936,230	218,437	839,401	(17,878,392)
Pupil transportation	2,248,155	-	-	(2,248,155)
Debt service interest	853,727	-	-	(853,727)
School lunch program	<u>565,492</u>	<u>31,790</u>	<u>585,520</u>	<u>51,818</u>
TOTAL FUNCTIONS/PROGRAMS	<u>\$ 26,949,429</u>	<u>\$ 250,227</u>	<u>\$ 1,424,921</u>	<u>(25,274,281)</u>
GENERAL REVENUE:				
Real property taxes				14,664,028
Other tax items				941,043
Use of money and property				529,582
Sale of property and compensation for loss				532,802
Miscellaneous				739,984
State sources				10,838,989
Medicaid reimbursement				<u>14,315</u>
TOTAL GENERAL REVENUE				<u>28,260,743</u>
CHANGE IN NET POSITION				2,986,462
NET POSITION - beginning of year				<u>(32,381,939)</u>
NET POSITION - end of year				<u>\$ (29,395,477)</u>

The accompanying notes are an integral part of these statements.

SCHODACK CENTRAL SCHOOL DISTRICT

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General	(Formerly Major Special Aid)	Capital Projects	Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents - unrestricted	\$ 2,891,523	\$ -	\$ -	\$ 935,442	\$ 3,826,965
Cash and cash equivalents - restricted	7,420,377	-	614,907	545,910	8,581,194
Cash with fiscal agent	-	-	5,727,160	-	5,727,160
Accounts receivable	21,409	-	-	-	21,409
Due from other funds	1,013,615	-	557,500	88,530	1,659,645
State and federal aid receivable	321,013	-	-	313,750	634,763
Due from other governments	436,005	-	-	-	436,005
Inventory	-	-	-	11,017	11,017
TOTAL ASSETS	\$ 12,103,942	\$ -	\$ 6,899,567	\$ 1,894,649	\$ 20,898,158
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 235,846	\$ -	\$ 5,550	\$ 56,600	\$ 297,996
Unearned revenue	-	-	-	96,591	96,591
Due to other funds	646,030	-	134,471	879,144	1,659,645
Due to other governments	-	-	-	109	109
Due to Teachers' Retirement System	1,022,412	-	-	-	1,022,412
Due to Employees' Retirement System	141,087	-	-	-	141,087
Bond anticipation notes payable	-	-	6,050,000	-	6,050,000
TOTAL LIABILITIES	2,045,375	-	6,190,021	1,032,444	9,267,840
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflow - state aid	431,667	-	-	-	431,667
TOTAL DEFERRED INFLOWS OF RESOURCES	431,667	-	-	-	431,667

(Continued)

The accompanying notes are an integral part of these statements.

SCHODACK CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2025

	General	(Formerly Major Special Aid)	Capital Projects	Non-Major Funds	Total Governmental Funds
FUND BALANCE:					
Nonspendable:					
Inventory	-	-	-	11,017	11,017
Restricted:					
Unemployment reserve	620,248	-	-	-	620,248
Retirement contributions - ERS	1,286,683	-	-	-	1,286,683
Retirement contributions - TRS	925,917	-	-	-	925,917
Employee benefits and accrued liabilities	565,522	-	-	-	565,522
Capital projects	2,856,079	-	614,907	-	3,470,986
Workers' compensation	593,507	-	-	-	593,507
Insurance reserve	528,649	-	-	-	528,649
Debt service	23,776	-	-	-	23,776
Tax reserve	19,996	-	-	-	19,996
Other	-	-	-	545,910	545,910
Total restricted fund balance	<u>7,420,377</u>	<u>-</u>	<u>614,907</u>	<u>545,910</u>	<u>8,581,194</u>
Assigned:					
Unappropriated	328,196	-	-	305,278	633,474
Appropriated for subsequent years expenditures	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,000</u>
Total assigned fund balance	<u>1,028,196</u>	<u>-</u>	<u>-</u>	<u>305,278</u>	<u>1,333,474</u>
Unassigned	<u>1,178,327</u>	<u>-</u>	<u>94,639</u>	<u>-</u>	<u>1,272,966</u>
TOTAL FUND BALANCE	<u>9,626,900</u>	<u>-</u>	<u>709,546</u>	<u>862,205</u>	<u>11,198,651</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 12,103,942</u>	<u>\$ -</u>	<u>\$ 6,899,567</u>	<u>\$ 1,894,649</u>	<u>\$ 20,898,158</u>

The accompanying notes are an integral part of these statements.

SCHODACK CENTRAL SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION JUNE 30, 2025

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

Total governmental fund balance	\$ 11,198,651
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	44,998,703
Pension related government wide activity:	
Deferred outflows - ERS/TRS	4,070,768
Deferred inflows - ERS/TRS	(1,968,449)
Net pension asset - TRS	1,446,090
Net pension liability - ERS	(1,302,781)
OPEB related government wide activity:	
Deferred outflows of resources	926,912
Deferred inflows of resources	(15,293,838)
Total OPEB liability	(47,398,220)
Long-term bonds payable and leases payable are not due in the current period and, therefore, are not reported in the funds	(24,135,605)
Bond premium is recorded as revenue in the fund financial statements, but is amortized over the life of the bond under full accrual accounting.	(2,223,443)
Deferred amount on bond refundings in governmental-wide statements using the full accrual method of accounting, not recognized on the fund financial statements, which use the modified accrual method	399,934
State aid revenue in the statement of activities is recognized as revenue in the government-wide statements, but is not recognized as revenue under the modified accrual basis of accounting in the fund financial statements	431,667
Compensated absences are recognized as a liability under full accrual accounting	(408,022)
Interest payable is to be recorded in the government-wide statements under full accrual accounting	<u>(137,844)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (29,395,477)</u>

The accompanying notes are an integral part of these statements.

SCHODACK CENTRAL SCHOOL DISTRICT

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	General	(Formerly Major) Special Aid	Capital Projects	Non-Major Funds	Total Governmental Funds
REVENUE:					
Real property taxes and other tax items	\$ 15,605,071	\$ -	\$ -	\$ -	\$ 15,605,071
Charges for services	218,437	-	-	-	218,437
Use of money and property	526,053	-	-	3,529	529,582
Sale of property and compensation for loss	532,802	-	-	-	532,802
Miscellaneous	559,422	-	-	156,786	716,208
State sources	10,794,216	-	-	549,211	11,343,427
Medicaid reimbursement	14,315	-	-	-	14,315
Federal sources	-	-	-	875,710	875,710
Sales - School lunch	-	-	-	31,790	31,790
	<u>28,250,316</u>	<u>-</u>	<u>-</u>	<u>1,617,026</u>	<u>29,867,342</u>
EXPENDITURES:					
General support	3,375,811	-	-	-	3,375,811
Instruction	12,565,774	-	-	788,916	13,354,690
Pupil transportation	1,431,605	-	-	61,172	1,492,777
Employee benefits	6,584,386	-	-	57,323	6,641,709
Debt service - Principal	1,781,326	-	-	-	1,781,326
Debt service - Interest	1,179,173	-	-	-	1,179,173
Cost of sales	-	-	-	537,762	537,762
Capital outlay	-	-	2,826,906	-	2,826,906
Other	-	-	-	290,209	290,209
	<u>26,918,075</u>	<u>-</u>	<u>2,826,906</u>	<u>1,735,382</u>	<u>31,480,363</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>1,332,241</u>	<u>-</u>	<u>(2,826,906)</u>	<u>(118,356)</u>	<u>(1,613,021)</u>
OTHER FINANCING SOURCES (USES):					
BANs redeemed from appropriations	-	-	250,000	-	250,000
Proceeds from issuance of leases	196,839	-	-	-	196,839
Proceeds from issuance of debt	-	-	5,400,000	-	5,400,000
Premium on issuance of debt	23,776	-	-	454,724	478,500
Operating transfers in	356,999	-	983,069	44,731	1,384,799
Operating transfers (out)	(700,640)	-	(130,000)	(554,159)	(1,384,799)
	<u>(123,026)</u>	<u>-</u>	<u>6,503,069</u>	<u>(54,704)</u>	<u>6,325,339</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>1,209,215</u>	<u>-</u>	<u>3,676,163</u>	<u>(173,060)</u>	<u>4,712,318</u>
FUND BALANCE - beginning of year	<u>8,417,685</u>	<u>-</u>	<u>(2,966,617)</u>	<u>1,035,265</u>	<u>6,486,333</u>
FUND BALANCE - end of year	<u>\$ 9,626,900</u>	<u>\$ -</u>	<u>\$ 709,546</u>	<u>\$ 862,205</u>	<u>\$ 11,198,651</u>

The accompanying notes are an integral part of these statements.

SCHODACK CENTRAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

Net changes in fund balance - Total governmental funds	\$ 4,712,318
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	2,853,227
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(1,978,999)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(159,346)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	1,405,000
Repayments of long-term lease liabilities are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	126,326
Bond premiums amortization is not recorded as revenue in the governmental funds, but is recorded in the statement of activities	(109,472)
Deferred amount on bond refunding amortization is not recorded as expenditures in the governmental funds, but are recorded in the statement of activities	(30,764)
State aid revenue in the statement of activities is recognized as revenue in the government-wide statements, but is not recognized as revenue under the modified accrual basis of accounting in the fund financial statements	44,773
Proceeds of long-term bonds are recorded as revenue in the governmental funds, but are recorded as increases in debt in the statement of net position	(5,400,000)
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	259,667
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	990,559
Pension expense resulting from the GASB 68 related reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities	262,215
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	<u>10,958</u>
Change in net position - Governmental activities	<u>\$ 2,986,462</u>

The accompanying notes are an integral part of these statements.

SCHODACK CENTRAL SCHOOL DISTRICT

**STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2025**

	<u>Custodial Funds</u>
ASSETS:	
Cash	\$ <u> -</u>
LIABILITIES:	
Other Liabilities	<u> -</u>
NET POSITION:	
Restricted for others	<u><u> -</u></u>

SCHODACK CENTRAL SCHOOL DISTRICT

**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Custodial Funds</u>
ADDITIONS:	
Tax collections for other governments	\$ <u> 159,000</u>
DEDUCTIONS:	
Payments of tax to other governments	<u> 159,000</u>
NET INCREASE	-
NET POSITION - beginning of year	<u> -</u>
NET POSITION - end of year	<u><u> -</u></u>

The accompanying notes are an integral part of these financial statements.

SCHODACK CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Schodack Central School District provides K-12 public education to students living within its geographic borders.

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

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

Reporting Entity

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

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

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

Extraclassroom Activity Funds

The extraclassroom activity funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the School District's business office. The School District accounts for assets held as a custodian for various student organizations in the Miscellaneous Special Revenue fund.

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

Joint Venture

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

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

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

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

Basis of Presentation

Government-Wide Statements

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

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

Fund Financial Statements

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

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

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

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

Basis of Presentation (Continued)

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

Governmental Fund Types

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Measurement Focus and Basis of Accounting

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

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

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

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

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

Cash and Cash Equivalents

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

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

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

Restricted Cash and Cash Equivalents

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

Accounts, State and Federal and Due From Other Governments Receivables

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

Inventory and Prepaid Items

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

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

Interfund Transactions

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

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

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

Capital Assets, Net

Land and construction in progress are not depreciated. Capitalization thresholds, (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 5,000	N/A	N/A
Buildings and improvements	\$ 5,000	SL	15-50
Furniture and equipment	\$ 5,000	SL	5-10
Vehicles	\$ 5,000	SL	5-10

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

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

Deferred Outflows and Inflows of Resources

Deferred outflows of resources, in the statement of net position, represents a consumption of net assets that applies to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) so will not be recognized as an inflow of resources (revenue) until that time.

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

Property Taxes

Real property taxes are levied annually by the board of education no later than September 1. Taxes are collected during September and October. Uncollected taxes are subsequently enforced by the County of Rensselaer. The County guarantees full payment of taxes and assumes responsibility for uncollected taxes.

Employee Benefits

Compensated absences

In accordance with GASB Statement 101, Compensated Absences, the School District recognizes a liability for leave time that has (1) been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The compensated liability includes salary related benefits, where applicable.

Other Benefits

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

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

Other Postemployment Benefits

In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee.

Unearned Revenue

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

Statute provides the authority for the School District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year rather than when measurable and available.

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

Accrued Liabilities and Long-Term Obligations

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

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

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

Restricted Resources

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

Fund Balance/Net Position Classifications

Government-Wide Statements

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

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

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

Fund Balance/Net Position Classifications (Continued)

Government-wide Statements (Continued)

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

Restricted net position consists of the following:

Unemployment reserve	\$ 620,248
Retirement contributions - ERS	1,286,683
Retirement contributions - TRS	925,917
Employee benefits and accrued liabilities	565,522
Capital projects	3,470,986
Workers compensation	593,507
Tax reserve	19,996
Insurance reserve	528,649
Debt service	23,776
Other	545,910
	<u>\$ 8,581,194</u>

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

Governmental Fund Statements

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

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

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

Capital

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

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

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Workers' Compensation

Workers' compensation reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund under restricted fund balance.

Unemployment Insurance

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

Debt Service

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

Insurance

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

Liability Claims and Property Loss

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

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

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Tax Certiorari

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

Employee Benefit Accrued Liability

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund under restricted fund balance.

Retirement Contribution

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the general fund under restricted fund balance.

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2025.

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$328,196. As of June 30, 2025, the School District's encumbrances were classified as follows:

General support	\$	72,936
Instruction		26,273
Transportation		211,334
Employee benefits		17,653
Total encumbrances	\$	<u>328,196</u>

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

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Encumbrances

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

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

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

Order of Fund Balance Spending Policy

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

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

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

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

Total fund balances of the School District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets. Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

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

Long-Term Debt Transaction Differences

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

Pension Differences

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

OPEB Differences

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

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The School District's administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

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

Appropriations are adopted at the program line item level.

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

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

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

Fund Balance

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

4. CASH AND CASH EQUIVALENTS

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

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	\$ 4,160,060	\$ 3,258,721
Cash equivalents	<u>9,149,438</u>	<u>9,149,438</u>
	<u>\$ 13,309,498</u>	<u>\$ 12,408,159</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name	\$ 3,910,060	
Covered by FDIC insurance	<u>250,000</u>	
Total	<u>\$ 4,160,060</u>	

The cash equivalents held at NYCLASS are collateralized as follows: U.S. Treasuries and NYS municipal bonds are backed by the full faith and credit of the U.S. government and State of New York and therefore do not require collateral. The other permissible investments are collateralized in accordance with NYS GML section 10.

Cash with fiscal agent of \$5,727,160 represents amounts held by a third party for debt repayment. These funds are not available for general operating use.

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

Restricted cash consists of the following:

General fund:	
Unemployment reserve	\$ 620,248
Retirement contributions - ERS	1,286,683
Retirement contributions - TRS	925,917
Employee benefits and accrued liabilities	565,522
Capital projects	2,856,079
Workers compensation	593,507
Tax reserve	19,996
Insurance reserve	528,649
Debt service	<u>23,776</u>
	<u>\$ 7,420,377</u>
Capital Projects fund:	<u>\$ 614,907</u>
Miscellaneous Special Revenue fund:	
Cash on deposit for scholarships and extraclassroom activity funds	<u>\$ 545,910</u>

5. PARTICIPATION IN BOCES

During the year, the School District was billed \$2,535,802 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$764,446.

6. CAPITAL ASSETS, NET

Capital asset balances and activity for the year ended June 30, 2025, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 19,242	\$ -	\$ -	\$ 19,242
Construction in progress	<u>5,721,946</u>	<u>103,959</u>	<u>5,721,946</u>	<u>103,959</u>
Total non-depreciable cost	<u>5,741,188</u>	<u>103,959</u>	<u>5,721,946</u>	<u>123,201</u>
Capital assets that are depreciated:				
Land improvements	103,150	-	-	103,150
Buildings and improvements	54,367,297	9,260,341	1,007,420	62,620,218
Furniture & Equipment	6,471,630	49,713	4,111	6,517,232
Vehicles	<u>2,950,773</u>	<u>168,639</u>	<u>-</u>	<u>3,119,412</u>
Total depreciable historical cost	<u>63,892,850</u>	<u>9,478,693</u>	<u>1,011,531</u>	<u>72,360,012</u>
Less accumulated depreciation:				
Land improvements	83,907	-	-	83,907
Buildings and improvements	18,202,743	1,587,155	-	19,789,898
Furniture & Equipment	5,501,042	212,347	4,052	5,709,337
Vehicles	<u>2,182,883</u>	<u>179,497</u>	<u>-</u>	<u>2,362,380</u>
Total accumulated depreciation	<u>25,970,575</u>	<u>1,978,999</u>	<u>4,052</u>	<u>27,945,522</u>
Total capital assets, net	<u>43,663,463</u>	<u>7,603,653</u>	<u>6,729,425</u>	<u>44,537,691</u>
Lease assets, being amortized:				
Equipment	<u>771,997</u>	<u>196,839</u>	<u>-</u>	<u>968,836</u>
Total lease assets, being amortized	<u>771,997</u>	<u>196,839</u>	<u>-</u>	<u>968,836</u>
Less accumulated amortization for:				
Equipment	<u>348,478</u>	<u>159,346</u>	<u>-</u>	<u>507,824</u>
Total accumulated amortization	<u>348,478</u>	<u>159,346</u>	<u>-</u>	<u>507,824</u>
Total lease assets, being amortized, net	<u>423,519</u>	<u>37,493</u>	<u>-</u>	<u>461,012</u>
Total governmental activities capital assets	<u>\$ 44,086,982</u>	<u>\$ 7,641,146</u>	<u>\$ 6,729,425</u>	<u>\$ 44,998,703</u>

Depreciation and lease amortization expense for the year ended June 30, 2025, was allocated to specific functions as follows:

	Depreciation	Amortization
General support	\$ 193,585	\$ -
Instruction	1,587,159	159,346
Pupil transportation	179,497	-
School lunch	<u>18,758</u>	<u>-</u>
Total	<u>\$ 1,978,999</u>	<u>\$ 159,346</u>

7. SHORT-TERM DEBT

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

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

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

At June 30, 2025, the School District had the following BANs outstanding:

<u>Maturity</u>	<u>Interest Rate</u>	<u>July 01, 2024 Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Paid with cash on hand</u>	<u>June 30, 2025 Balance</u>
August 16, 2024	4.50%	\$ 6,300,000	\$ -	\$ 6,050,000	\$ 250,000	\$ -
July 15, 2025	4.00%	-	6,050,000	-	-	6,050,000
		<u>\$ 6,300,000</u>	<u>\$ 6,050,000</u>	<u>\$ 6,050,000</u>	<u>\$ 250,000</u>	<u>\$ 6,050,000</u>

8. LONG-TERM OBLIGATIONS

Interest on long-term debt for the year was composed of:

Interest paid	\$ 1,179,173
Less: interest accrued in the prior year	(148,802)
Less: amortization expense on bond premium	(345,252)
Plus: interest accrued in the current year	137,844
Plus: amortization expense on refunding bonds	30,764
Total expense	<u>\$ 853,727</u>

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

	<u>July 01, 2024 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025 Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
Government activities:						
Bonds and notes payable						
General obligation debt:						
Serial bonds	\$ 19,855,000	\$ 5,400,000	\$ 1,405,000	\$ 23,850,000	\$ 1,485,000	\$ 22,365,000
Bond premium	2,113,971	454,724	345,252	2,223,443	-	2,223,443
Other long-term debt:						
Compensated absences	667,689	-	259,667 (A)	408,022	27,307	380,715
Lease obligations	215,092	196,839	126,326	285,605	123,909	161,696
Net pension liability - ERS	1,269,932	32,849	-	1,302,781	-	-
Total other postemployment benefits	<u>54,348,461</u>	<u>-</u>	<u>6,950,241</u>	<u>47,398,220</u>	<u>2,012,369</u>	<u>45,385,851</u>
Total long-term liabilities	<u>\$ 78,470,145</u>	<u>\$ 6,084,412</u>	<u>\$ 9,086,486</u>	<u>\$ 75,468,071</u>	<u>\$ 3,648,585</u>	<u>\$ 70,516,705</u>

(A) Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately.

8. LONG-TERM OBLIGATIONS (Continued)

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

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2025 <u>Balance</u>
Refunding Serial Bond	2015	2038	5.00%	\$ 6,835,000
Refunding Serial Bond	2019	2031	2.50%	450,000
Capital Project Serial Bond	2020	2034	4.50%	11,165,000
Capital Project Serial Bond	2025	2039	5.00%	<u>5,400,000</u>
				<u>\$ 23,850,000</u>

The following is a summary of the maturity of bonds payable:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,485,000	\$ 1,031,623	\$ 2,516,623
2027	1,860,000	1,007,998	2,867,998
2028	1,955,000	915,748	2,870,748
2029	2,040,000	819,123	2,859,123
2030	2,150,000	722,773	2,872,773
2031-2035	10,415,000	2,067,027	12,482,027
2036-2039	<u>3,945,000</u>	<u>314,359</u>	<u>4,259,359</u>
Totals	<u>\$ 23,850,000</u>	<u>\$ 6,878,651</u>	<u>\$ 30,728,651</u>

9. LEASES

Lessee

The School District leases various equipment, primarily from Questar III BOCES. The leases do not contain renewal options. The leases have various inception dates and remaining terms of 49-61 months. Lease agreements are summarized as follows:

<u>Description</u>	<u>Interest Rate/ Discount Rate</u>	<u>Total Lease Liability</u>
IPA	3.76%	\$ 45,625
Equipment	3.54-3.93%	<u>239,980</u>
Total Lease Liability		<u>\$ 285,605</u>

Activity of lease liabilities for the year ended June 30, 2025 is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
\$ 215,092	\$ 196,839	\$ 126,326	\$ 285,605	\$ 123,909

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026 \$	123,909	\$ 11,005	\$ 134,914
2027	81,247	6,296	87,543
2028	39,436	3,219	42,655
2029	<u>41,013</u>	<u>1,641</u>	<u>42,654</u>
	<u>\$ 285,605</u>	<u>\$ 22,161</u>	<u>\$ 307,766</u>

10. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables, other than between governmental activities, are eliminated on the statement of net position. The School District typically advances resources between funds for the purpose of mitigating the effects of transient cash flow issues.

The following is a summary of interfund activity:

	Interfund		Interfund	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 1,013,615	\$ 646,030	\$ 356,999	\$ 700,640
Special Aid fund	87,263	855,865	44,731	-
School Lunch fund	-	23,279	-	-
Debt Service fund	-	-	-	554,159
Capital Projects fund	557,500	134,471	983,069	130,000
Miscellaneous Special Revenue fund	<u>1,267</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,659,645</u>	<u>\$ 1,659,645</u>	<u>\$ 1,384,799</u>	<u>\$ 1,384,799</u>

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

11. PENSION PLANS

New York State Employees' Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

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

	<u>ERS</u>
2025	\$ 472,601
2024	\$ 421,679
2023	\$ 375,081

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

At June 30, 2025, the School District reported a net pension liability of \$1,302,781 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2024. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025, the School District's proportion was 0.0075983% which was a decrease from its proportion measured at June 30, 2024 of 0.0086249%.

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

For the year ended June 30, 2025, the School District recognized pension expense of \$316,616. At June 30, 2025, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 323,359	\$ 15,253
Changes of assumptions	54,636	-
Net difference between projected and actual earnings on pension plan investments	102,213	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	112,667	110,302
Contributions subsequent to the measurement date	<u>141,087</u>	<u>-</u>
Total	<u>\$ 733,962</u>	<u>\$ 125,555</u>

The School District recognized \$141,087 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2025 which will be recognized on a reduction of the net pension liability in the year ending June 30, 2026.

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

Plan's Year Ending March 31,	2026	\$ 232,568
	2027	343,467
	2028	(108,574)
	2029	(141)
	Thereafter	<u>-</u>
		<u>\$ 467,320</u>

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Actuarial Assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.9 percent
Salary scale	4.3 percent indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of term</u>
Domestic Equity	25%	3.54%
International Equity	14%	6.57%
Private Equity	15%	7.25%
Real Estate	12%	4.95%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real Assets	4%	5.55%
Fixed Income	22%	2.00%
Cash	1%	0.25%
	<u>100%</u>	

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.90%) or 1% higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
Employer's Proportionate Share of Net Pension Liability (Asset)	\$ 3,770,411	\$ 1,302,781	\$ (757,692)

Pension Plan Fiduciary Net Position (in thousands)

The components of the pension plan's net pension asset as of March 31, 2025, was as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 247,600,239
Net position	230,454,512
Net pension liability (asset)	\$ 17,145,727
ERS net position as a percentage of total pension liability	93.08%

New York State Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

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

Contributions

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

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Contributions (Continued)

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

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

	<u>TRS</u>	
2025	\$	909,489
2024	\$	903,212
2023	\$	915,360

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

At June 30, 2025, the School District reported an asset of \$1,446,090 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2023. The School District's proportion of the net pension asset was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025 the School District's proportionate share was 0.048468%, which was an increase from its proportion measured at June 30, 2024 of 0.048165%.

For the year ended June 30, 2025, the School District recognized pension expense of \$778,086. At June 30, 2025 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,557,173	\$ -
Changes of assumptions	865,055	145,510
Net difference between projected and actual earnings on pension plan investments	-	1,606,729
Changes in proportion and differences between the District's contributions and proportionate share of contributions	5,089	90,655
Contributions subsequent to the measurement date	<u>909,489</u>	<u>-</u>
Total	<u>\$ 3,336,806</u>	<u>\$ 1,842,894</u>

The School District recognized \$909,489 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2024, which will be recognized as a reduction of the net pension asset in the year ending June 30, 2026.

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

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

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

Plan's Year Ending June 30,	2025	\$	(762,142)
	2026		1,749,509
	2027		(311,016)
	2028		(341,322)
	2029		178,002
	Thereafter		71,392
		\$	<u>584,423</u>

Actuarial Assumptions

The total pension liability at the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal										
Inflation	2.40%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table> <thead> <tr> <th><u>Service</u></th> <th><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td>5</td> <td>5.18%</td> </tr> <tr> <td>15</td> <td>3.64%</td> </tr> <tr> <td>25</td> <td>2.50%</td> </tr> <tr> <td>35</td> <td>1.95%</td> </tr> </tbody> </table>	<u>Service</u>	<u>Rate</u>	5	5.18%	15	3.64%	25	2.50%	35	1.95%
<u>Service</u>	<u>Rate</u>										
5	5.18%										
15	3.64%										
25	2.50%										
35	1.95%										
Projected COLAs	1.30% compounded annually										
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.										

Annuitant 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 were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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.

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of term</u>
Domestic Equity	33%	6.6%
International Equity	15%	7.4%
Global Equity	4%	6.9%
Real Estate Equity	11%	6.3%
Private Equity	9%	10.0%
Domestic Fixed Income	16%	2.6%
Global Bonds	2%	2.5%
Private Debt	2%	5.9%
Real Estate Debt	6%	3.9%
High-Yield Bonds	1%	4.8%
Cash Equivalents	1%	0.5%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension asset as of June 30, 2024 was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from School Districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

The following presents the net pension liability (asset) of the School District calculated using the discount rate of 6.95 percent, as well as what the School Districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	<u>1% Decrease (5.95%)</u>	<u>Current Discount (6.95%)</u>	<u>1% Increase (7.95%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ 6,679,572</u>	<u>\$ (1,446,090)</u>	<u>\$ (8,279,990)</u>

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability (asset) of the employers as of June 30, 2024, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 142,837,826,465
Net position	<u>145,821,434,780</u>
Net pension liability (asset)	<u>\$ (2,983,608,315)</u>
TRS net position as a percentage of total pension liability	102.09%

12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The School District administers a defined benefit OPEB plan and provides OPEB for all permanent full-time general and public safety employees of the School District. The plan is a single-employer defined benefit plan (the Plan). The Plan provides for Article 11 of the State Compiled Statutes which grants the authority to establish and amend the benefit terms and financial requirements to the School District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Funding Policy

The obligations of the Plan members, employers and other contributing entities are established by action of the School District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 10 to 15 years of service to qualify for other postemployment benefits. The School District currently funds the plan to satisfy current obligations on a pay-as-you-go basis.

The contribution requirements of the Plan members and the School District are established by the Board of Education. Until changes are made in the NYS law to permit funding, there is no legal authority to fund Other Postemployment Benefit (OPEB), other than "pay as you go".

Benefits Provided

The School District provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under. Retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the School District offices and area available upon request.

Employees Covered by Benefit Terms

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

Actives	173
Retirees	144
Beneficiaries	-
Spouses of Retirees	<u>72</u>
Total participants	<u><u>389</u></u>

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The School District's total OPEB liability of \$47,398,220 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Payroll growth	2.40 percent including inflation
Discount Rate	5.20 percent as of July 1, 2023
Healthcare Cost Trend Rates	5.1 percent, decreasing to an ultimate rate of 4.1 percent over 54 years.
Participation rate	Assumed that 90% of future retirees eligible for coverage will elect the benefit.
Cost method	Entry Age Normal

The discount rate was based on the Bond Buyer General Obligation 20-year municipal bond index.

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

Retirement participation rate assumed that 90% of future retirees eligible for coverage will elect the benefit and 50% of active employees are assumed to elect family coverage at retirement with male spouses assumed to be 3 years older than female spouses. For current retirees, actual census information was used. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

Changes in the Total OPEB Liability

Balance at July 1, 2024	\$ 54,348,461
Changes for the Year	
Service cost	1,804,896
Interest	2,169,601
Effect of plan changes	-
Effect of demographic gains or losses	-
Effect of assumptions changes or inputs	(9,011,840)
Benefit payments	(1,912,898)
Net changes	(6,950,241)
Balance at June 30, 2025	<u>\$ 47,398,220</u>

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.20%) or 1 percentage point higher (6.20%) than the current discount rate:

	1% Decrease (4.20%)	Current Discount (5.20%)	1% Increase (6.20%)
Total OPEB Liability	<u>\$ 54,289,610</u>	<u>\$ 47,398,220</u>	<u>\$ 41,762,875</u>

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

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

	Healthcare Cost Trend		
	1% Decrease	Current Discount	1% Increase
Total OPEB Liability	<u>\$ 40,521,349</u>	<u>\$ 47,398,220</u>	<u>\$ 56,054,911</u>

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

For the year ended June 30, 2025, the School District recognized OPEB expense of \$922,339. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (3,775,614)
Changes of assumptions	<u>926,912</u>	<u>(11,518,224)</u>
Total	<u>\$ 926,912</u>	<u>\$ (15,293,838)</u>

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

<u>Fiscal Year Ending June 30:</u>	<u>Amount</u>
2026	\$ (3,596,984)
2027	(4,449,078)
2028	(2,451,679)
2029	(1,848,485)
2030	(1,729,998)
Thereafter	<u>(290,702)</u>
	<u>\$ (14,366,926)</u>

13. RISK MANAGEMENT

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

Workers' Compensation

The School District participates in a claims-servicing public entity risk pool, Rensselaer-Columbia-Greene Workers' Compensation (Consortium), to insure workers' compensation claims. The Consortium, a consortium of school districts located in Rensselaer, Columbia and Greene Counties of New York, was accepted a self-insurer by the State of New York Workers' Compensation Board effective July 1, 1985. The Consortium is governed by a plan agreement administered by a Board of Directors, consisting of one Director for each member. As of June 30, 2025, there were 17 members in the Consortium. Workers' compensation benefits are provided by the Plan and administered under a contract with PMA Companies, the third-party claims administrator for the Consortium.

The purpose of the Consortium is to provide efficient and economical evaluation, processing, administration, defense and payment of claims against Consortium members for workers' compensation and employers' liability payments through self-insurance and otherwise, to achieve cost savings for such claims and services, to provide risk management, to the extent permitted by law, to reduce future liability for workers' compensation and employer liability payments; and to perform all other functions reasonably necessary and incident to such purposes; including but not limited to, the obtaining of excess workers' compensation insurance and employers' liability insurance for the Consortium members. Current coverage limits are \$1,000,000 per occurrence for employers' liability and excess workers' compensation insurance coverage for paid workers' compensation claims in excess of \$600,000 per individual occurrence.

The Consortium provides that each member continues to be individually liable for workers' compensation payments to employees and for employers' liability payments to third parties. The Consortium is a public entity risk pool without any transfer of risk among the participants.

13. RISK MANAGEMENT (Continued)

Workers' Compensation (Continued)

To fund the Consortium, each member is assessed an annual premium for workers' compensation coverage in accordance with a reasonable estimate of each member's responsibility for actual claims and expenses of the Consortium. Assessments are based on such factors as the cost of insurance premiums, the amount of anticipated investment income, number of employees, payrolls, claims experience, services rendered, benefits received and other relevant factors.

Health Insurance Plan

The School District participates in the Rensselaer-Columbia-Greene Health (R-C-G) Insurance Trust, which is a Trust formed under New York State Insurance Law on June 30, 1988. The Trust's purpose is to provide for the purchase of policies of group health, prescription, dental and vision insurance, pursuant to Insurance Law Section 4235, and to provide related services to its members. There are currently 19 members of the R-C-G Health Insurance Trust. The School District participates in the health and prescription plans offered through the Trust.

The Trust is governed by a Trust Agreement and a Board of Trustees who execute the provisions of the Trust, as set forth in the Agreement. Premium costs for group health insurance and related policies purchased and for group health insurance administration are allocated among the Trust members. Payments made by members to the Trust for such policies are paid to the group insurance carriers by the Trust. The Trust obtains independent coverage for the insured events and the School District has transferred all related risk to the pool. The Trust has contracted with Benetech for third-party administration.

14. CONTINGENCIES AND COMMITMENTS

General Information

The School District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantors agencies or expenditures disallowed under the terms of the grant.

Litigation and Claims

The School District is involved in various legal proceedings and claims that arise in the normal course of operations. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the School District's financial position.

The School District is also subject to potential claims arising from personnel, contractual, and other matters. The School District does not believe the disposition of these claims will have a material effect on the School District's financial position.

15. SUBSEQUENT EVENTS

On July 15, 2025, the School District paid its outstanding \$6,050,000 bond anticipation note. The School District paid \$322,840 from appropriations and \$5,727,160 cash with fiscal agent was used for the remaining balance.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHODACK CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
REVENUE					
LOCAL SOURCES:					
Real property taxes and other tax items	\$ 15,585,098	\$ 15,585,098	\$ 15,605,071	\$ -	\$ 19,973
Charges for services	149,500	149,500	218,437	-	68,937
Use of money and property	230,000	230,000	526,053	-	296,053
Sale of property and compensation for loss	415,304	516,541	532,802	-	16,261
Miscellaneous	<u>362,116</u>	<u>362,835</u>	<u>559,422</u>	<u>-</u>	<u>196,587</u>
Total local sources	16,742,018	16,843,974	17,441,785	-	597,811
State sources	10,834,049	10,834,049	10,794,216	-	(39,833)
Federal sources	35,000	35,000	-	-	(35,000)
Medicaid reimbursement	<u>65,000</u>	<u>65,000</u>	<u>14,315</u>	<u>-</u>	<u>(50,685)</u>
Total revenue	<u>\$ 27,676,067</u>	<u>\$ 27,778,023</u>	<u>\$ 28,250,316</u>	<u>\$ -</u>	<u>\$ 472,293</u>

(Continued)

See the independent auditor's report

SCHODACK CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)

(Continued)

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 35,510	\$ 40,088	\$ 28,728	\$ -	\$ 11,360
Central administration	277,738	277,489	271,083	-	6,406
Finance	514,189	525,427	524,233	-	1,194
Staff	118,550	150,757	126,219	-	24,538
Central services	1,889,817	2,148,558	1,976,254	72,936	99,368
Special items	463,873	471,168	449,294	-	21,874
	<u>3,299,677</u>	<u>3,613,487</u>	<u>3,375,811</u>	<u>72,936</u>	<u>164,740</u>
Total general support					
INSTRUCTION:					
Instruction, administration, and improvement	1,073,375	1,033,677	977,138	615	55,924
Teaching - Regular school	5,955,211	5,775,968	5,679,023	9,989	86,956
Programs for children with handicapping conditions	3,142,819	3,295,371	3,186,966	10,372	98,033
Occupational education	628,089	663,180	661,204	-	1,976
Teaching - Special school	74,300	74,300	39,546	1,654	33,100
Instructional media	908,847	1,015,403	1,013,068	1,250	1,085
Pupil services	1,090,415	1,105,927	1,008,829	2,393	94,705
	<u>12,873,056</u>	<u>12,963,826</u>	<u>12,565,774</u>	<u>26,273</u>	<u>371,779</u>
Total instruction					
Pupil transportation	1,530,914	1,683,567	1,431,605	211,334	40,628
Employee benefits	8,030,980	7,608,728	6,584,386	17,653	1,006,689
Debt service - Principal	1,656,163	1,656,163	1,781,326	-	(125,163)
Debt service - Interest	1,170,586	1,170,586	1,179,173	-	(8,587)
	<u>28,561,376</u>	<u>28,696,357</u>	<u>26,918,075</u>	<u>328,196</u>	<u>1,450,086</u>
Total expenditures					
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of leases	-	-	196,839	-	196,839
Premium on issuance of debt	-	-	23,776	-	23,776
Operating transfers in	130,000	130,000	356,999	-	226,999
Operating transfers (out)	(132,150)	(132,150)	(700,640)	-	(568,490)
	<u>(2,150)</u>	<u>(2,150)</u>	<u>(123,026)</u>	<u>-</u>	<u>120,876</u>
Total other financing sources (uses)					
Total expenditures and other financing sources (uses)	<u>28,563,526</u>	<u>28,698,507</u>	<u>27,041,101</u>	<u>328,196</u>	<u>1,329,210</u>
NET CHANGE IN FUND BALANCE	(887,459)	(920,484)	1,209,215	(328,196)	1,801,503
FUND BALANCE - beginning of year	<u>8,417,685</u>	<u>8,417,685</u>	<u>8,417,685</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 7,530,226</u>	<u>\$ 7,497,201</u>	<u>\$ 9,626,900</u>	<u>\$ (328,196)</u>	<u>\$ 1,801,503</u>

See the independent auditor's report

SCHODACK CENTRAL SCHOOL DISTRICT

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.007598%	0.008625%	0.008387%	0.008203%	0.008816%	0.008221%	0.009138%	0.009621%	0.009097%	0.009193%
Proportionate share of the net pension liability (asset)	\$1,303	\$1,270	\$1,798	(\$671)	\$9	\$2,177	\$647	\$311	\$855	\$1,476
Covered-employee payroll	\$2,892	\$2,785	\$2,888	\$2,691	\$2,732	\$2,819	\$2,762	\$2,756	\$2,588	\$2,517
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	45.05%	45.59%	62.27%	-24.91%	0.32%	77.22%	23.44%	11.27%	33.03%	58.63%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.048468%	0.048165%	0.046973%	0.046434%	0.045485%	0.045375%	0.045830%	0.045672%	0.048194%	0.046952%
Proportionate share of the net pension liability (asset)	(\$1,446)	\$551	\$901	(\$8,046)	\$1,257	(\$1,179)	(\$829)	(\$347)	\$516	(\$4,877)
Covered-employee payroll	\$8,996	\$9,254	\$8,896	\$8,321	\$7,937	\$7,959	\$7,612	\$7,716	\$7,645	\$7,593
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-16.07%	5.95%	10.13%	-96.70%	15.84%	-14.81%	-10.89%	-4.50%	6.75%	-64.23%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.09%	99.17%	98.57%	113.25%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

SCHODACK CENTRAL SCHOOL DISTRICT

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

	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 473	\$ 422	\$ 375	\$ 309	\$ 408	\$ 394	\$ 397	\$ 399	\$ 366	\$ 433
Contributions in relation to the contractually required contribution	<u>473</u>	<u>422</u>	<u>375</u>	<u>309</u>	<u>408</u>	<u>394</u>	<u>397</u>	<u>399</u>	<u>366</u>	<u>433</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,892	\$ 2,785	\$ 2,888	\$ 2,691	\$ 2,732	\$ 2,819	\$ 2,762	\$ 2,756	\$ 2,588	\$ 2,517
Contributions as a percentage of covered-employee payroll	16.34%	15.14%	12.99%	11.47%	14.95%	13.98%	14.37%	14.47%	14.15%	17.22%

	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 909	\$ 903	\$ 915	\$ 816	\$ 684	\$ 804	\$ 732	\$ 848	\$ 986	\$ 1,236
Contributions in relation to the contractually required contribution	<u>909</u>	<u>903</u>	<u>915</u>	<u>816</u>	<u>684</u>	<u>804</u>	<u>732</u>	<u>848</u>	<u>986</u>	<u>1,236</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 8,996	\$ 9,254	\$ 8,896	\$ 8,321	\$ 7,937	\$ 7,959	\$ 7,612	\$ 7,716	\$ 7,645	\$ 7,593
Contributions as a percentage of covered-employee payroll	10.11%	9.76%	10.29%	9.80%	8.62%	10.11%	9.61%	10.99%	12.90%	16.28%

SCHODACK CENTRAL SCHOOL DISTRICT

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability										
Service cost	\$ 1,805	\$ 1,904	\$ 1,695	\$ 1,974	\$ 2,203	\$ 1,599	\$ 1,783	\$ 1,731		
Interest	2,170	2,039	1,938	1,478	1,463	1,892	1,705	1,647		
Effect of plan changes	-	-	-	-	-	-	-	-		
Effect of demographic gains or losses	-	(392)	-	(9,654)	-	-	-	(42)		
Effect of assumptions changes or inputs	(9,012)	(2,254)	(947)	(5,439)	557	9,870	(4,432)	-		
Benefit payments	(1,913)	(1,809)	(1,747)	(1,727)	(1,855)	(1,793)	(1,524)	(1,384)		
Total change in total OPEB liability	(6,950)	(512)	939	(13,369)	2,368	11,567	(2,467)	1,952		
Total OPEB liability - beginning	54,348	54,861	53,922	67,290	64,922	53,354	55,822	53,870		
Total OPEB liability - ending	\$ 47,398	\$ 54,348	\$ 54,861	\$ 53,922	\$ 67,290	\$ 64,922	\$ 53,354	\$ 55,822		
Covered-employee payroll	\$ 10,810	\$ 10,810	\$ 9,448	\$ 9,448	\$ 9,742	\$ 9,021	\$ 10,826	\$ 10,523		
Total OPEB liability as a percentage of covered-employee payroll	438.47%	502.77%	580.64%	570.69%	690.74%	719.64%	492.84%	530.48%		

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

Notes to schedule:

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

Discount rate	5.20%	3.93%	3.65%	3.54%	2.16%	2.21%	N/A	N/A
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

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

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

SUPPLEMENTARY INFORMATION

SCHODACK CENTRAL SCHOOL DISTRICT

**SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	(Formerly Major) Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
ASSETS					
Cash and equivalents - unrestricted	\$ 509,309	\$ 416,812	\$ 9,321	\$ -	\$ 935,442
Cash and equivalents - restricted	-	-	545,910	-	545,910
Due from other funds	87,263	-	1,267	-	88,530
State and federal aid receivable	264,004	49,746	-	-	313,750
Inventory	-	11,017	-	-	11,017
TOTAL ASSETS	\$ 860,576	\$ 477,575	\$ 556,498	\$ -	\$ 1,894,649
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 4,711	\$ 41,301	\$ 10,588	\$ -	\$ 56,600
Due to other funds	855,865	23,279	-	-	879,144
Due to other governments	-	109	-	-	109
Unearned revenue	-	96,591	-	-	96,591
TOTAL LIABILITIES	860,576	161,280	10,588	-	1,032,444
Fund balance					
Nonspendable					
Inventory	-	11,017	-	-	11,017
Restricted					
Other	-	-	545,910	-	545,910
Total restricted fund balance	-	-	545,910	-	545,910
Assigned					
Unappropriated	-	305,278	-	-	305,278
TOTAL FUND BALANCE	-	316,295	545,910	-	862,205
TOTAL LIABILITIES AND FUND BALANCE	\$ 860,576	\$ 477,575	\$ 556,498	\$ -	\$ 1,894,649

SCHODACK CENTRAL SCHOOL DISTRICT

**SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	(Formerly Major) Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
REVENUE:					
Use of money and property	\$ -	\$ 1,836	\$ 1,693	\$ -	\$ 3,529
Miscellaneous	-	360	156,426	-	156,786
State sources	262,066	287,145	-	-	549,211
Federal sources	577,335	298,375	-	-	875,710
Sales - school lunch	-	31,790	-	-	31,790
Total revenue	839,401	619,506	158,119	-	1,617,026
EXPENDITURES:					
Instruction	788,916	-	-	-	788,916
Pupil transportation	61,172	-	-	-	61,172
Cost of sales	-	537,762	-	-	537,762
Employee benefits	34,044	23,279	-	-	57,323
Other	-	-	162,645	127,564	290,209
Total expenditures	884,132	561,041	162,645	127,564	1,735,382
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(44,731)	58,465	(4,526)	(127,564)	(118,356)
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	-	-	-	(554,159)	(554,159)
Operating transfers in	44,731	-	-	-	44,731
Premium on issuance of debt	-	-	-	454,724	454,724
Total other financing sources (uses)	44,731	-	-	(99,435)	(54,704)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	58,465	(4,526)	(226,999)	(173,060)
FUND BALANCE - beginning of year	-	257,830	550,436	226,999	1,035,265
FUND BALANCE - end of year	\$ -	\$ 316,295	\$ 545,910	\$ -	\$ 862,205

OTHER INFORMATION (UNAUDITED)

SCHODACK CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 28,563,526
Add: Prior year's encumbrances	<u>33,585</u>
Original budget	28,597,111
Budget revision:	<u>101,396</u>
Final budget	<u>\$ 28,698,507</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-26 voter-approved expenditure budget	\$ 29,473,860	
Maximum allowed (4% of 2025-26 budget)		<u>\$ 1,178,954</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:	
Assigned fund balance	\$ 1,028,196
Unassigned fund balance	<u>1,178,327</u>
	<u>\$ 2,206,523</u>

Less:

Appropriated fund balance	\$ 700,000
Encumbrances included in assigned fund balance	<u>328,196</u>
Total adjustments	<u>\$ 1,028,196</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 1,178,327</u>
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Actual percentage	4.00%
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* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

SCHODACK CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Proceeds of Obligations	Methods of Financing			Fund Balance June 30, 2025
			Prior Years	Current Year	Total			State Aid	Local Sources	Total	
HS - Kitchen Auditorium Tech	\$ -	\$ 1,100,244	\$ 746,084	\$ 130,000	\$ 876,084	\$ 224,160	\$ 90,769	\$ -	\$ 1,000,000	\$ 1,090,769	\$ 214,685
CES Phase 1 23/24	-	425,479	342,790	82,689	425,479	-	225,479	-	200,000	425,479	-
HS Phase 1 23/24	-	2,017,344	1,531,582	241,560	1,773,142	244,202	151,494	-	1,564,559	1,716,053	(57,089)
MS Phase 1 23/24	-	512,148	510,682	1,466	512,148	-	362,148	-	150,000	512,148	-
BG Phase 2 24/25	-	913,593	751,523	162,070	913,593	-	813,593	-	100,000	913,593	-
CES Phase 2 24/25	-	177,761	191,462	(13,701)	177,761	-	102,761	-	75,000	177,761	-
HS Phase 2 24/25	-	4,376,731	2,342,787	2,033,944	4,376,731	-	3,749,571	-	627,160	4,376,731	-
MS Phase 2 24/25	-	319,955	105,036	214,919	319,955	-	244,955	-	75,000	319,955	-
23-24 CPTL Project	100,000	98,462	98,462	-	98,462	-	-	-	98,462	98,462	-
24-25 CPTL Project	100,000	98,409	-	98,409	98,409	-	-	-	98,409	98,409	-
24-25 DO Electrical	557,500	557,500	-	5,550	5,550	551,950	-	-	557,500	557,500	551,950
Total	\$ 757,500	\$ 10,597,626	\$ 6,620,408	\$ 2,956,906	\$ 9,577,314	\$ 1,020,312	\$ 5,740,770	\$ -	\$ 4,546,090	\$ 10,286,860	\$ 709,546

SCHODACK CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED) JUNE 30, 2025

Capital assets, net		\$ 44,998,703
Deduct:		
Unamortized bond premium	2,223,443	
Bond anticipation notes	6,050,000	
Short-term portion of leases payable	123,909	
Long-term portion of leases payable	161,696	
Short-term portion of bonds payable	1,485,000	
Long-term portion of bonds payable	<u>22,365,000</u>	32,409,048
Add:		
Unspent bond proceeds		614,907
Unamortized amount on refunding bonds		<u>399,934</u>
Net investment in capital assets		<u>\$ 13,604,496</u>

REQUIRED REPORT UNDER *GOVERNMENT AUDITING STANDARDS*

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

October 11, 2025

To the Board of Education of
Schodack Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Schodack Central School District (School District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 11, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a significant deficiency.

(Continued)

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

Report on Compliance and Other Matters

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

School District's Response to Findings

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

Purpose of this Report

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

SCHODACK CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes None reported

Noncompliance material to financial statements noted?

Yes No

Section II – Financial Statement Findings

Finding 2025-001

Criteria – The year-end closing procedures should result in complete and accurate records that support the basic financial statements, footnotes, and supporting schedules in accordance with general accepted accounting principles.

Condition – The School District has experienced turnover in positions key to the year-end closing process. Several supporting schedules often required correction upon auditor review. Also, multiple versions of trial balances were provided. As a result, multiple audit adjustments were required to correct the financial statements.

Cause – The School District experienced turnover in the business office.

Effect – During the current year we received multiple trial balances and supporting schedules from the School District. Additionally, the final trial balances required significant audit adjustments.

Recommendation – We recommend that the School District have processes in place to ensure accuracy when reconciling accounts prior to audit. Trial balances should balance, all material balance sheet accounts should be reconciled, and fund balances should agree to the previous year.

View of Responsible Officials and Planned Corrective Action – Acknowledgements: The School District acknowledges that multiple journal entries were made to correct financial statements in preparation for the audit, and thanks Bonadio & Co., LLP for the recommended action. As a result of this, multiple editions of trial balance reports needed to be sent to the auditors to accurately reflect the School District's financial standing. While adjusting journal entries are not uncommon, the School District experienced significant dollar values associated with journal entries at year end. Notably, the School District identified two entry issues, each carrying significant value and likely leading to this finding.

SCHODACK CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings (Continued)

View of Responsible Officials and Planned Corrective Action – (Continued)

1. Funds for the approved District Office Transformer Project were appropriated from an incorrect budget code.
2. The School District Office Transformer Project total was transcribed incorrectly.

Corrective Action: To mitigate findings, such as #2025-001 in the subsequent years, the School District will record expenditures properly, using the appropriate budget and/or reserve codes. As noted, the School District has experienced significant turnover, in key positions. Communication, internal financial controls, and quality assurance of work will be necessary to ensure that adjusting entries are made timely and accurately. The School District self-identified the inaccurate entries, and has already made corrections. To ensure that correct entries are made in advance of our annual audit, the School District Office staff will review project appropriations on a monthly basis.

Anticipated Completion Date for Finding 2025-001: June 30, 2026

Person(s) Responsible for Corrective Action: Ryan Palmer, Jill Filkins