

NISKAYUNA CENTRAL SCHOOL DISTRICT

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

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INDEPENDENT AUDITOR'S REPORT

October 10, 2025

The Board of Education of
Niskayuna Central School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Niskayuna 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 the 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.

Emphasis of Matter—Reclassification of Fund

As discussed in Note 18 to the financial statements, the School District has determined that its Extraclassroom Activity Fund, previously reported within the General Fund, should be reported separately. Accordingly, the Extraclassroom Activity fund has been removed from the General Fund and is reported as the Miscellaneous Special Revenue Fund. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of Management for the Financial Statements (Continued)

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.

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, schedule of revenue, expenditures, and changes in fund balance – budget and actual - general fund, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset), and schedule of contributions – pension plans 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Required Supplementary Information (Continued)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying combining 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 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 annual report. The other information comprises the Schedule of Change from Original Budget to Revised Budget – General Fund and Section 1318 of Real Property Tax Limit Calculation, 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 10, 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.

Bonadio & Co., LLP

NISKAYUNA 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 the Niskayuna Central School District's (the School District) financial performance for the fiscal year ended June 30, 2025. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the School District-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

- The School District maintained an unassigned fund balance at 4.00% of the General Fund budget for 2025-26.
- The General Fund's restricted fund balance was \$12,711,685 for the fiscal year ending June 30, 2025.
- The School District's general fund had a favorable expenditure budget variance of \$2.5 million (2%) and actual revenues were greater than budgeted amounts by \$504,000 (.47%).
- The School District-wide net position is \$(74,957,476), a \$244,232 decrease from June 30, 2024.
- The School District issued \$1,766,422 in serial bonds to purchase transportation vehicles in November 2024.
- In May 2025, the 2025-26 budget was approved by a vote of 968-261. The 2025-26 budget of \$116,121,281 maintains all existing services and programs and offers \$2.45 million in new investments that result in the creation of 20.8 full-time equivalent (FTE) staff positions.
- The School District was able to increase the capital reserve by \$1 million for capital projects for future facilities needs.

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 School District-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 School District-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.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

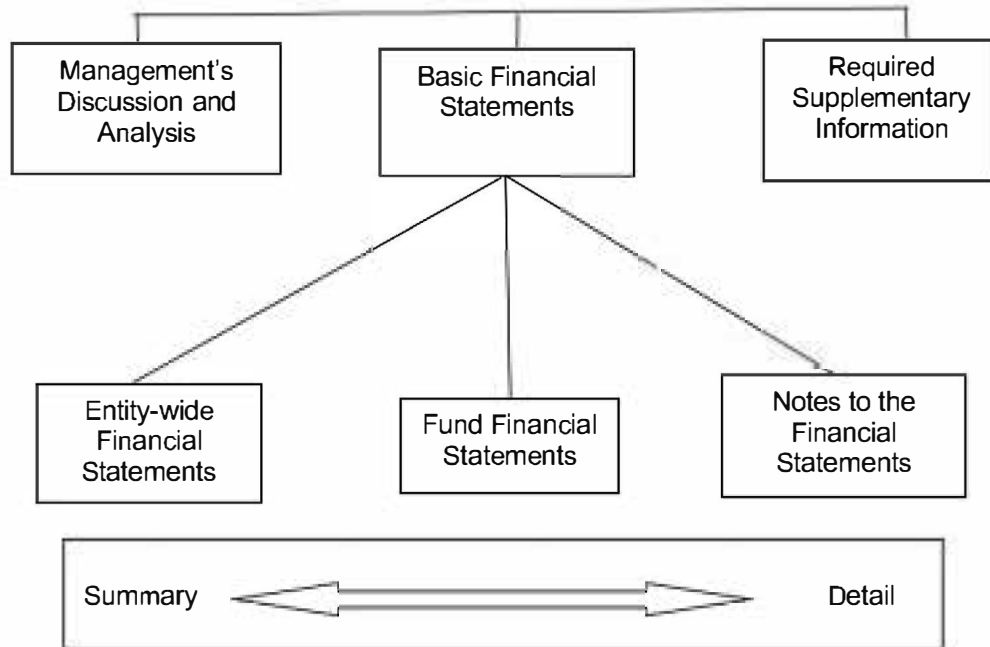


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

	School District-Wide	Governmental Funds
Scope	Entire School District	The daily operating activities of the School District, such as instruction and special education.
Required financial statements	• Statement of net position • Statement of activities	• 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

School District-Wide Statements

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

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

Net position of the governmental activities differs from 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.

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

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

Fund Financial Statements

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

The School District has 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 School District-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, miscellaneous special revenue, and the capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

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	\$ 68,535	\$ 63,790	7.44%
Noncurrent assets	<u>133,954</u>	<u>114,857</u>	16.63%
Total assets	<u>202,489</u>	<u>178,647</u>	13.35%
Deferred outflows of resources	<u>27,624</u>	<u>37,451</u>	-26.24%
Current liabilities	59,955	49,506	21.11%
Long-term liabilities	<u>191,489</u>	<u>196,618</u>	-2.61%
Total liabilities	<u>251,445</u>	<u>246,124</u>	2.15%
Deferred inflows of resources	<u>53,626</u>	<u>44,837</u>	19.60%
Net position:			
Net investment in capital assets	78,331	78,884	-0.70%
Restricted	14,247	13,693	4.04%
Unrestricted	<u>(167,535)</u>	<u>(167,440)</u>	-0.06%
Total net position	<u>\$ (74,957)</u>	<u>\$ (74,863)</u>	0.13%

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

Changes in Net Position

The School District's 2025 revenue was \$113,622,344 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 55% and 33%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from fees for services, use of money and property, operating grants, and other miscellaneous sources.

The total cost of all programs and services totaled \$113,866,575 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 15% of total costs.

Net position decreased during the year by \$244,232 due primarily to the effects of recognizing other post-employment benefits as well as the effects of ERS and TRS pension plan proportionate deferred outflows, assets and deferred inflows.

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

	Fiscal Year 2025	Fiscal Year 2024	Percent Change
Revenue:			
Charges for services	\$ 2,157	\$ 1,898	13.68%
Capital grants	-	4,432	100.00%
Operating grants	3,022	31	9788.21%
General revenue:			
Property taxes	62,495	64,046	-2.42%
Other tax items	2,842	-	100.00%
Use of money & property	2,169	1,933	12.23%
Sale of property and compensation for loss	6	494	-98.87%
Miscellaneous	2,996	3,132	-4.31%
State sources	37,586	32,362	16.14%
Federal sources	349	349	-0.07%
Total revenue	<u>113,622</u>	<u>108,676</u>	4.55%
Expenses:			
General support	13,733	10,626	29.24%
Instruction	87,221	59,784	45.89%
Pupil Transportation	7,642	6,418	19.08%
Employee Benefits	-	27,041	
Debt service - Interest	3,031	2,541	19.80%
Cost of sales - Food	2,240	1,956	14.52%
Total expenses	<u>113,867</u>	<u>108,365</u>	5.08%
Change in net position	<u>\$ (244)</u>	<u>\$ 311</u>	178.45%

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

Figure A-5: Revenue Sources for 2025:

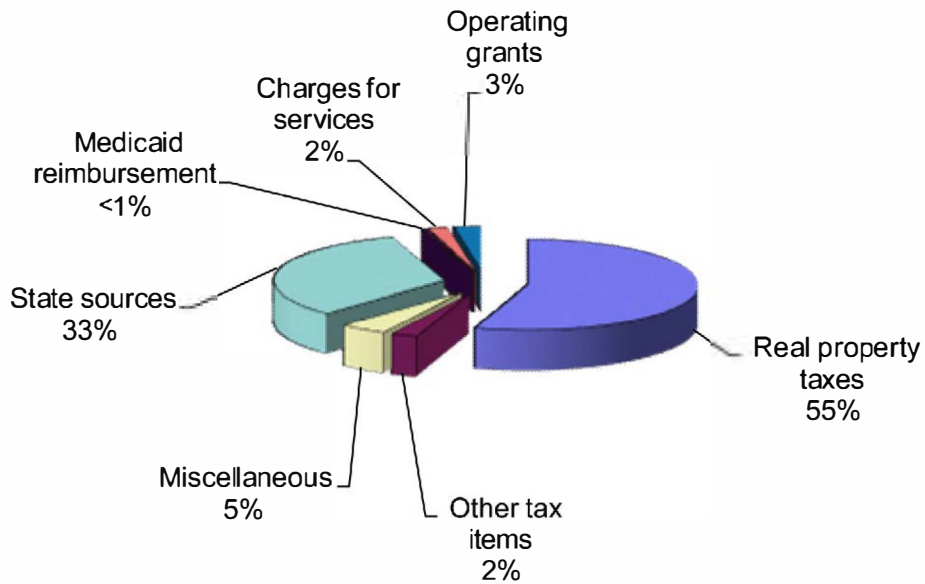
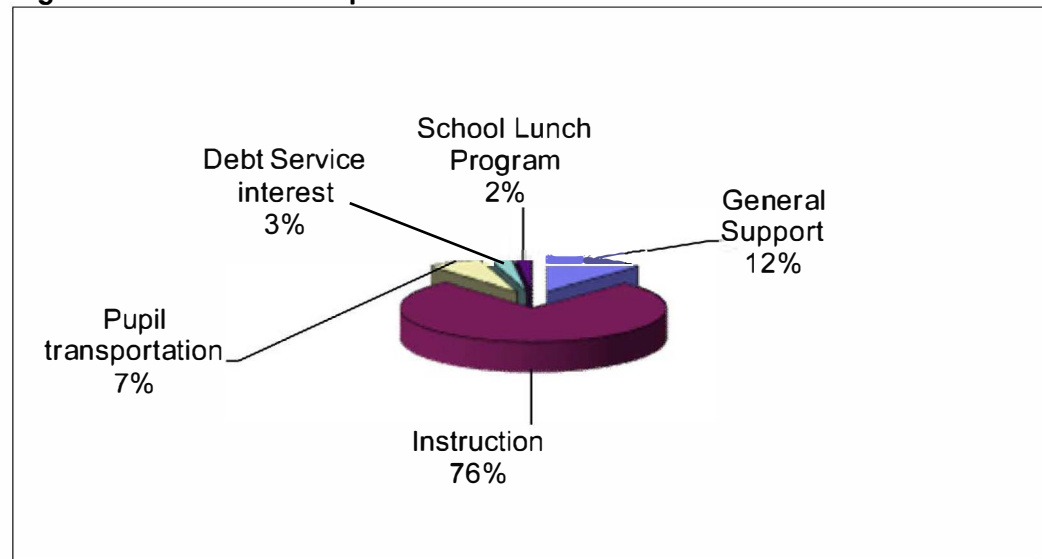


Figure A-6: Sources of Expenses for 2025:



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

Governmental Activities

Revenue for the School District's governmental activities totaled \$113,622,344 while total expenses were \$113,866,575. Accordingly, net position decreased by \$244,232.

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	\$ 13,733	\$ 13,733	\$ 12,738	\$ 12,468
Instruction	87,221	84,047	83,276	79,283
Pupil transportation	7,642	7,642	7,584	7,854
Debt service - Interest	3,031	3,031	2,541	2,541
Cost of sales - Food	2,240	235	1,956	111
	<u>\$ 113,867</u>	<u>\$ 108,687</u>	<u>\$ 108,095</u>	<u>\$ 102,257</u>

- The cost of all governmental activities for the year was \$113,866,575.
- The users of the School District's programs financed \$2,157,227 of the costs through charges for services.
- The federal and state government financed \$3,022,134 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 School District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

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

Governmental Funds Highlights

General Fund – New York State operating aid is tied to the growth in New York State personal income and sales taxes and the available funds in the state budget. The total 2024-2025 General Fund balance decreased by \$862,888.

Special Aid Fund – The Special Aid fund expended \$2,359,932 of federal and state funding and ended the year with a fund balance of \$0.

School Lunch Fund – The School Lunch fund ended the year with a fund balance of \$0. The General Fund subsidized \$71,830 of School Lunch expenditures.

Capital Projects Fund – The Capital Projects fund ended the year with a fund deficit of \$1,324,501, an increase of \$7,547,470. Other financing sources of \$24,204,547 subsidized capital project expenditures of \$16,736,077.

Debt Service Fund – The Debt Service fund ended the year with a fund balance of \$1,111,147. This fund balance will be appropriated in future years to offset bond principal and interest payments.

General Fund Budgetary Highlights

Results vs. Budget (In Thousands of Dollars)

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Local sources	\$ 69,523	\$ 69,523	\$ 70,844	\$ -	\$ 1,321
State sources	38,347	38,347	37,507	-	(841)
Proceeds from leases	-	3,547	3,547	-	-
Transfers in	-	-	-	-	-
Medicaid reimbursement	325	325	349	-	24
Total	108,195	111,742	112,246	-	504
Expenditures:					
General support	10,841	15,971	13,891	440	1,640
Instruction	58,371	58,879	57,569	812	499
Pupil transportation	5,696	5,891	5,592	2	296
Employee benefits	27,198	27,073	26,829	-	244
Debt service	8,377	8,690	8,893	-	(202)
Transfers out	288	403	335	-	68
Total	110,771	116,908	113,109	1,254	2,545
Revenue over (under) expenditures	\$ (2,576)	\$ (5,166)	\$ (863)	\$ (1,254)	\$ 3,049

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

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

General Fund Budgetary Highlights (Continued)

In the General Fund, for the year ended June 30, 2025, actual revenues were greater than final budgeted revenues by \$504,204 (047%). Actual expenditures and encumbrances were less than final budgeted expenditures by \$2,544,788 (2.2%).

For the 2025-2026 year, the School District has appropriated \$2,575,893 of fund balance to reduce the tax levy.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the School District had \$127,717,204 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	\$ 895	\$ 895
Construction in progress	44,339	46,486
Buildings and improvements	69,987	57,223
Vehicles	2,745	3,164
Machinery and equipment	4,344	4,067
Leased assets	5,407	3,021
Total	<u>\$ 127,717</u>	<u>\$ 114,857</u>

Long-Term Liabilities

As of June 30, 2025, the School District had \$204,179,666 in long-term liabilities. Detailed information about the School District's long-term liabilities is included in the notes to the financial statements.

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

	Fiscal Year 2025	Fiscal Year 2024
General obligation bonds	\$ 43,993	\$ 24,454
Other long-term liabilities	160,186	169,826
Total	<u>\$ 204,180</u>	<u>\$ 194,281</u>

During 2025, the School District paid down its bonded debt by \$2,255,000.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

Public school districts in New York State continue to operate under a legislated school tax levy cap which limits the amount of tax revenue that can be raised each year. Tax levy increases are limited to the lesser of two percent or the rate of inflation, subject to exemptions and other adjustments. The tax levy limit impacts the district's ability to raise revenues to support school programs and general operating costs. With a rising rate of inflation, it is anticipated that inflation will continue to exceed the tax levy limit. The district's property tax base is expected to remain relatively stable.

The School District's primary revenue sources in the general fund are Real Property Taxes and State Aid. New York State fully funded the Foundation Aid formula for the first-time in the 2023-24 school year, resulting in an increase in state operating aid for Niskayuna based upon the statutory formula.. Funding through federal COVID Grants (CARES, CRRSA and APR) provided additional revenue to help meet program and operational needs during the early part of this decade and expired after the end of the 2023-24 fiscal year.

Adequate State and Federal funding will continue to be important to help schools sustain educational programs and services while addressing rising costs in areas such as pensions, health insurance and contracts. Growth in these and other costs mean that New York State public schools will need to continue to focus on the preservation of student programs and services in the most cost-effective manner.

Fiscal and programmatic sustainability will require strategic, long-term planning. Such planning will also include responsible management of available reserve funds, including the Capital Reserve. The school district continually strives to provide the best possible educational program for its students, moderate tax increases for the school community and protect its financial integrity and the investment taxpayers have made in educational services and facilities.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

It is the intent of this report to provide the School District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the School District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Niskayuna Central School District
Assistant Superintendent of Business and Operations
1430 Balltown Road
Niskayuna, New York 12309

NISKAYUNA CENTRAL SCHOOL DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents - unrestricted	\$ 9,998,609
Cash and cash equivalents - restricted	49,878,372
Accounts receivable	2,232,348
State and federal aid receivable	4,070,879
Due from other governments	2,317,343
Prepaid expenses	297
Inventory	37,996
Total current assets	68,535,044

NONCURRENT ASSETS:

Capital assets, not depreciated	45,234,050
Capital assets, net	82,483,154
Net pension asset - TRS	6,237,016
Total noncurrent assets	133,954,220

TOTAL ASSETS

202,489,264

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - ERS	1,908,040
Deferred outflows of resources - TRS	14,935,619
Deferred outflows of resources - OPEB	10,780,087
Total deferred outflows of resources	27,623,746

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

230,113,010

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	5,216,354
Accrued liabilities	774,298
Retainage payable	1,299,696
Accrued interest	126,597
Due to other governments	47,693
Due to Teachers' Retirement System	4,741,998
Due to Employees' Retirement System	333,050
Bond anticipation note payable	35,915,000
Unearned revenues	109,951
Current portion of bonds premium	462,488
Current portion of other post employment benefits	5,752,157
Current portion of compensated absences payable	120,350
Leases payable due within one year	1,239,127
Bonds payable due within one year	3,816,422
Total current liabilities	59,955,181

LONG-TERM LIABILITIES:

Bonds payable, net of current portion	36,900,000
Bonds premium, net of current portion	2,814,588
Workers' compensation claims	763,486
Judgements and claims	676,338
Leases payable, net of current portion	4,149,618
Net pension liability - ERS	3,833,280
Total other postemployment benefits	142,289,885
Compensated absences payable, net of current portion	62,233
Total long-term liabilities	191,489,428

TOTAL LIABILITIES

251,444,609

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - ERS	126,269
Deferred inflows of resources - TRS	7,993,432
Deferred inflows of resources - OPEB	45,506,176
Total deferred inflows of resources	53,625,877

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

305,070,486

NET POSITION

Net investment in capital assets	78,330,552
Restricted	14,246,500
Unrestricted	(167,534,528)
TOTAL NET POSITION	\$ (74,957,476)

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenue		Net (Expense)
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants</u>	<u>Changes in</u>
				<u>Net Position</u>
FUNCTIONS/PROGRAMS:				
General support	\$ 13,732,650	\$ -	\$ -	\$ (13,732,650)
Instruction	87,220,613	1,013,627	2,160,358	(84,046,628)
Pupil transportation	7,642,054	-	-	(7,642,054)
Debt service interest	3,031,333	-	-	(3,031,333)
School lunch program	<u>2,239,925</u>	<u>1,143,600</u>	<u>861,776</u>	<u>(234,549)</u>
TOTAL FUNCTIONS/PROGRAMS	<u>\$ 113,866,575</u>	<u>\$ 2,157,227</u>	<u>\$ 3,022,134</u>	<u>(108,687,214)</u>
GENERAL REVENUE:				
Real property taxes				62,495,016
Other tax items				2,842,248
Use of money and property				2,169,233
Sale of property and compensation for loss				5,601
Miscellaneous				2,996,466
State sources				37,585,773
Medicaid reimbursement				<u>348,645</u>
TOTAL GENERAL REVENUE				<u>108,442,982</u>
CHANGE IN NET POSITION				<u>(244,232)</u>
NET POSITION - beginning of year, as previously reported				(74,863,373)
RECLASSIFICATION (Note 18)				<u>150,129</u>
NET POSITION - beginning of year, as reclassified				<u>(74,713,244)</u>
TOTAL NET POSITION - end of year				<u>\$ (74,957,476)</u>

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

**BALANCE SHEET2 GOVERNMENTAL FUNDS
JUNE 30, 2025**

	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents - unrestricted	\$ 9,998,469	\$ -	\$ 140	\$ 9,998,609
Cash and cash equivalents - restricted	12,711,685	35,910,591	1,256,096	49,878,372
Accounts receivable	2,180,255	-	52,093	2,232,348
State and federal aid receivable	2,244,309	174,764	1,651,806	4,070,879
Due from other governments	2,317,343	-	-	2,317,343
Due from other funds	1,432,472	-	278,719	1,711,191
Prepaid expenses	297	-	-	297
Inventory	-	-	37,196	37,196
TOTAL ASSETS	\$ 30,884,830	\$ 36,085,355	\$ 3,276,050	\$ 70,246,235
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 3,784,571	\$ 1,331,438	\$ 100,345	\$ 5,216,354
Accrued liabilities	774,280	-	18	774,298
Due to other funds	-	163,418	1,547,773	1,711,191
Due to other governments	-	-	47,693	47,693
Bond anticipation notes payable	-	35,915,000	-	35,915,000
Due to Teachers' Retirement System	4,741,998	-	-	4,741,998
Due to Employees' Retirement System	333,050	-	-	333,050
Unearned revenue	64,545	-	45,406	109,951
TOTAL LIABILITIES	\$ 9,698,444	\$ 37,409,856	\$ 1,741,235	\$ 48,849,535

(Continued)

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

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

	Governmental Fund Types			Total Governmental Funds
	General	Capital Projects	Non-Major Funds	
FUND BALANCE:				
Nonspendable:				
Inventory	-	-	37,196	37,196
Prepaid expenditures	297	-	-	297
Total nonspendable fund balance	297	-	37,196	37,493
Restricted:				
Insurance	254,499	-	-	254,499
Retirement contributions - ERS	500,000	-	-	500,000
Retirement contributions - TRS	2,108,754	-	-	2,108,754
Workers compensation	507,404	-	-	507,404
Capital	8,249,645	-	-	8,249,645
Tax certiorari	676,339	-	-	676,339
Employee benefits accrued liabilities	182,892	-	-	182,892
Unemployment insurance	232,152	-	-	232,152
Other - Extraclassroom, scholarships	-	-	423,668	423,668
Debt service	-	-	1,111,147	1,111,147
Total restricted fund balance	12,711,685	-	1,534,815	14,246,500
Assigned:				
Appropriated for subsequent year's expenditures	2,575,893	-	-	2,575,893
Unappropriated	1,253,655	-	-	1,253,655
Total assigned fund balance	3,829,548	-	-	3,829,548
Unassigned	4,644,856	(1,324,501)	(37,196)	3,283,159
TOTAL FUND BALANCE	21,186,386	(1,324,501)	1,534,815	21,396,700
TOTAL LIABILITIES AND FUND BALANCE	\$ 30,884,830	\$ 36,085,355	\$ 3,276,050	\$ 70,246,235

The accompanying notes are an integral part of these statements.

NISKAYUNA 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	\$ 21,396,700
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	127,717,204
Pension related government wide activity:	
Deferred outflows - ERS/TRS	16,843,659
Deferred inflows - ERS/TRS	(8,119,701)
Net pension asset - TRS	6,237,016
Net pension liability - ERS	(3,833,280)
OPEB related government wide activity:	
Deferred outflows of resources	10,780,087
Deferred inflows of resources	(45,506,176)
Total OPEB liability	(148,042,042)
Long-term liabilities, including bonds payable, leases payable, and compensated absences, retainage payable, workers compensation, judgements and claims are not due in the current period and, therefore, are not reported in the funds	(49,027,270)
Bond premium is recorded as revenue in the fund financial statements, but is amortized over the life of the bond under full accrual accounting	(3,277,076)
Interest payable is to be recorded in the government-wide statements under full accrual accounting	<u>(126,597)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>(74,957,476)</u>

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

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

	General	Capital Projects	Non-Major Funds	Total Governmental Funds
REVENUE:				
Real property taxes	\$ 62,495,016	\$ -	\$ -	\$ 62,495,016
Other tax items	2,842,248	-	-	2,842,248
Charges for services	1,013,627	-	-	1,013,627
Use of money and property	1,960,494	-	208,739	2,169,233
Sale of property and compensation for loss	5,601	-	-	5,601
Miscellaneous	2,526,675	-	322,179	2,848,854
State sources	37,506,773	79,000	728,372	38,314,145
Federal sources	-	-	2,293,762	2,293,762
Medicaid reimbursement	348,646	-	-	348,646
Sales - School lunch	-	-	1,143,600	1,143,600
Total revenue	108,699,080	79,000	4,696,652	113,474,732
EXPENDITURES:				
General support	13,890,854	-	-	13,890,854
Instruction	57,568,819	-	2,169,405	59,738,224
Pupil transportation	5,592,407	-	172,801	5,765,208
Employee benefits	26,829,185	-	276,315	27,105,500
Debt service - Interest	3,208,494	-	-	3,208,494
Debt service - Principal	5,684,440	-	-	5,684,440
Other	-	-	571,873	571,873
Capital outlay	-	16,736,077	-	16,736,077
Cost of sales	-	-	1,940,519	1,940,519
Total expenditures	112,774,199	16,736,077	5,130,913	134,641,189
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(4,075,119)	(16,657,077)	(434,261)	(21,166,457)
OTHER FINANCING SOURCES (USES):				
Premium on issuance of debt	-	1,215,000	433,475	1,648,475
BANs redeemed from appropriations	-	2,335,860	-	2,335,860
Proceeds from the issuance of bonds	-	20,551,422	-	20,551,422
Proceeds from the issuance of leases	3,547,285	-	-	3,547,285
Operating transfers in	-	102,265	232,789	335,054
Operating transfers (out)	(335,054)	-	-	(335,054)
Total other financing sources (uses)	3,212,231	24,204,547	666,264	28,083,042
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(862,888)	7,547,470	232,003	6,916,585
FUND BALANCE - beginning of year, as previously reported	22,049,274	(8,871,271)	1,152,683	14,329,986
RECLASSIFICATION (Note 18)	-	-	150,129	150,129
FUND BALANCE - beginning of year, as reclassified	22,049,274	(8,871,271)	1,302,812	14,480,115
FUND BALANCE - end of year	\$ 21,186,386	\$ (1,324,501)	\$ 1,534,815	\$ 21,396,700

The accompanying notes are an integral part of these statements.

NISKAYUNA 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 change in fund balance - Total governmental funds	\$ 6,916,585
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	19,640,852
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(5,432,090)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(1,162,074)
Repayments of long-term debt, including leases, are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	3,348,580
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.	(20,551,422)
Issuance of long-term lease liabilities are recorded as revenue in the governmental funds, but are recorded as liabilities in the statement of net position.	(3,547,285)
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	124,467
Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	(1,866,679)
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(151,474)
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	1,227,673
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>708,635</u>
Change in net position - Governmental activities	<u>\$ (244,232)</u>

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Niskayuna Central School District located in portions of Albany, Schenectady, and Saratoga counties, New York, provides K-12 public education to students living within its geographic borders.

Reporting Entity

Niskayuna 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 financial statements of Niskayuna 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:

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

Extra classroom Activity Funds

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

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

Joint Venture

The School District is a component School District in the Capital District 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.

A 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

School District-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 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 other funds.

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: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes 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: This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the School District for specific purposes. The activity of the Extraclassroom Activity Funds and scholarships are reported in this fund.

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

Use of Estimates

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

Measurement Focus and Basis of Accounting

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

The School District-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 one year after the end of the fiscal year, excluding real property taxes, which are considered available when levied. The School District selected the one year time frame to match the time frame when the related liabilities will be liquidated.

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

Cash and Cash Equivalents

Cash and cash equivalents consist 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.

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

Cash and Cash Equivalents (Continued)

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

Accounts Receivable/State and Federal Aid Receivable/Due from Other Governments

Accounts 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.

Inventories and Prepaid Items

Inventories of food in the school lunch fund are 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 School District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

Interfund Transactions

The operations of the School District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The School District typically 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 School District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types. Eliminations have been made for all interfund receivables and payables between the funds.

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

Interfund Transactions (Continued)

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

Capital Assets, Net

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

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

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	\$ 1,000	15-50 years
Machinery and Equipment	\$ 1,000	5-25 years
Vehicles	\$ 1,000	8 years

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

Property Taxes

Real property taxes are levied annually by the board of education no later than September 1. Taxes are collected by the Towns during the period September 1 to October 31.

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

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.

The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the governmental funds in as much as it will be funded from current financial resources and the statement of net position for amounts to be paid from future financial resources.

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

Vested Employee Benefits (Continued)

Other Benefits

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

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

Other Postemployment Benefits

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

Account payable, accrued liabilities, and long-term obligations are reported in the School District-wide financial statements. In the governmental funds, accounts payable and accrued liabilities are paid in a timely manner and in full from current financial resources.

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

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

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

Deferred Outflows of Resources

Deferred outflows of resources, in the statement of net position, represents a consumption of net position 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

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

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

School District-Wide Statements

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

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

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

Restricted net position consists of the following:

Insurance reserve	\$ 254,499
Retirement contributions - ERS	500,000
Retirement contributions - TRS	2,108,754
Workers compensation reserve	507,404
Capital reserve	8,249,645
Employee benefits accrued liabilities reserve	182,892
Tax certiorari reserves	676,339
Unemployment insurance reserve	232,152
Other - Extraclassroom activities and scholarships	423,668
Debt service reserve	<u>1,114,147</u>
	<u>\$ 14,246,500</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 in spendable form or legally or contractually are required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund and prepaid expenditures in the general fund.

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

Fund Balance/Net Position Classifications (Continued)

Governmental Fund Statements (Continued)

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 Reserve

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.

Workers' Compensation Reserve

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 Reserve

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. These reserves are accounted for in the general fund under restricted fund balance.

Reserve for 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.

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

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

Insurance Reserve

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 Reserve

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

Tax Certiorari Reserve

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

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 legal appropriated. The reserve is accounted for in the general fund under restricted fund balance.

Employee Retirement Contribution Reserve

Employee 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.

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

Fund Balance/Net Position Classifications (Continued)

Governmental Fund Statements (Continued)

Employee Retirement Contribution Reserve (Continued)

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$1,253,655. As of June 30, 2025, the School District's encumbrances were classified as follows:

General support	\$ 439,723
Instruction	814,577
Pupil transportation	<u>2,355</u>
Total encumbrances	<u>\$ 1,253,655</u>

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 SCHOOL DISTRICT-WIDE STATEMENTS

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

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

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

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

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of 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.

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.

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.

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:

	Bank Balance	Carrying Amount
Cash	\$ 56,150,311	\$ 56,004,280
Cash equivalents	<u>3,872,701</u>	<u>3,872,701</u>
	<u>\$ 60,023,012</u>	<u>\$ 59,876,981</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	<u>\$ 55,411,483</u>	
Covered by FDIC insurance	<u>738,828</u>	
Total	<u>\$ 56,150,311</u>	

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

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:	
Insurance reserve	\$ 254,499
Retirement contributions - ERS	500,000
Retirement contributions - TRS	2,108,754
Capital projects	8,249,645
Employee benefits accrued liabilities	182,892
Workers compensation	507,404
Tax certiorari	676,339
Unemployment insurance reserve	<u>232,152</u>
	<u>\$ 12,711,685</u>
Capital projects fund:	
Cash on deposit for capital projects	<u>\$ 35,910,591</u>
Debt service fund:	
Cash on deposit for debt service	<u>\$ 949,177</u>
Miscellaneous Special Revenue fund:	
Cash on deposit for scholarships and extraclassroom activity funds	<u>\$ 306,919</u>

5. PARTICIPATION IN BOCES

During the year, the School District was billed \$7,867,228 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$2,921,863.

6. CAPITAL ASSETS

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

	July 1, 2024 Balance	Additions	Deletions	June 30, 2025 Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 895,205	\$ -	\$ -	\$ 895,205
Construction in progress	46,485,701	13,453,972	15,600,828	44,338,845
Total non-depreciable cost	47,380,906	13,453,972	15,600,828	45,234,050
Capital assets that are depreciated:				
Buildings and Improvements	131,431,415	16,889,295	-	148,320,710
Vehicles	11,817,913	337,742	705,927	11,449,728
Machinery and equipment	13,319,883	826,936	1,044	14,145,775
Total depreciable historical cost	156,569,211	18,053,973	706,971	173,916,213
Less accumulated depreciation:				
Buildings and Improvements	74,208,018	4,125,774	-	78,333,792
Vehicles	8,653,708	756,848	705,927	8,704,629
Machinery and equipment	9,253,298	549,468	1,044	9,801,722
Total accumulated depreciation	92,115,024	5,432,090	706,971	96,840,143
Total capital assets, net	111,835,093	26,075,855	15,600,828	122,310,120
Leased assets, being amortized:				
Buildings	-	2,793,831	-	2,793,831
Machinery and equipment	5,757,327	753,454	-	6,510,781
	5,757,327	3,547,285	-	9,304,612
Less accumulated amortization for:				
Buildings	-	-	-	-
Machinery and equipment	2,735,454	1,162,074	-	3,897,528
	2,735,454	1,162,074	-	3,897,528
Total leased assets, being amortized, net	3,021,873	2,385,211	-	5,407,084
Total governmental activities, capital assets	\$114,856,966	\$ 28,461,066	\$ 15,600,828	\$127,717,204

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

	Depreciation	Amortization
General support	\$ 549,468	\$ -
Pupil transportation	756,848	-
Instruction	4,125,774	1,162,074
Total	\$ 5,432,090	\$ 1,162,074

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. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

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

The School District had the following BAN transactions as of June 30, 2025:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Principal Paid</u>	<u>Redeemed</u>	<u>Ending Balance</u>
June 27, 2025	4.50%	\$ 38,550,000	\$ -	\$ 2,335,860	\$ 36,214,140	\$ -
June 26, 2026	3.50%	-	35,915,000	-	-	35,915,000
		<u>\$ 38,550,000</u>	<u>\$ 35,915,000</u>	<u>\$ 2,335,860</u>	<u>\$ 36,214,140</u>	<u>\$ 35,915,000</u>

8. LONG-TERM DEBT

Interest on debt for the year was composed of:

Interest paid	\$ 3,208,494
Less: Interest accrued in the prior year	(45,716)
Less: Amortization expense on bond premium	(258,042)
Plus: Interest accrued in the current year	<u>126,597</u>
Total expense	<u>\$ 3,031,333</u>

8. LONG-TERM DEBT (Continued)

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

	July 1, 2024 Balance	Additions	Deletions	June 30, 2025 Balance	Amounts Due Within One Year	Long-term Portion
Government activities:						
Bonds and notes payable						
General obligation debt:						
Serial bonds	\$ 22,420,000	\$ 20,551,422	\$ 2,255,000	\$ 40,716,422	\$ 3,816,422	\$ 36,900,000
Less deferred amounts on refunding	(42,976)	42,976	-	-	-	-
Unamortized serial bond premiums	2,034,254	1,500,864	258,042	3,277,076	462,488	2,814,588
Other long-term liabilities:						
Lease obligations	2,935,040	3,547,285	1,093,580	5,388,745	1,239,127	4,149,618
Compensated absences	306,750	-	124,167	182,583	120,350	62,233
Net pension liability - ERS	3,137,505	695,775	-	3,833,280	-	3,833,280
Judgments and claims	1,509,672	-	833,334	676,338	-	676,338
Workers' compensation	638,786	124,700	-	763,486	-	763,486
Retainage payable	1,486,147	-	186,453	1,299,694	1,299,694	-
Total other postemployment benefits	159,855,380	-	11,813,338	148,042,042	5,752,157	142,289,885
Total long-term liabilities	\$194,280,558	\$ 26,463,022	\$ 16,563,914	\$204,179,666	\$ 12,690,238	\$191,489,428

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

Bond Issue	Issued	Maturity	Interest Rate	June 30, 2025 Balance
Serial Bond	2019	2029	4.00%	\$ 110,000
Serial Bond	2021	2028	1.50 - 4.00%	720,000
Serial Bond	2021	2026	1.00%	260,000
Serial Bond	2022	2027	3.75 - 4.00%	500,000
Serial Bond	2023	2028	3.75 - 4.75%	1,155,000
Serial Bond	2024	2038	5.00%	17,420,000
Serial Bond	2024	2030	3.25%	1,766,422
Serial Bond	2025	2040	5.00%	18,785,000
				<u>\$ 40,716,422</u>

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 3,816,422	\$ 2,261,153	\$ 6,077,575
2027	3,205,000	1,802,938	5,007,938
2028	3,095,000	1,657,563	4,752,563
2029	2,560,000	1,511,825	4,071,825
2030	2,655,000	1,389,325	4,044,325
2031-2035	13,050,000	5,101,500	18,151,500
2036-2040	<u>12,335,000</u>	<u>1,592,750</u>	<u>13,927,750</u>
Totals	\$ 40,716,422	\$ 15,317,054	\$ 56,033,476

9. LEASES

The School District leases various equipment, primarily from BOCES. The leases do not contain renewal options. The leases have various inception dates and remaining terms of 45-60 months. The School District also leases a building from under a ten year lease agreement. Lease agreements are summarized as follows:

<u>Description</u>	<u>Interest Rate/ Discount Rate</u>	<u>Total Lease Liability</u>
Machinery and equipment	2.26% - 5.08%	\$ 2,745,119
Building	3.25%	<u>2,643,626</u>
Total Lease Liability		<u>\$ 5,388,745</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>
<u>\$ 2,935,040</u>	<u>\$ 3,547,285</u>	<u>\$ 1,093,580</u>	<u>\$ 5,388,745</u>	<u>\$ 1,239,127</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026 \$	1,239,127	\$ 189,131	\$ 1,428,258
2027	880,735	144,754	1,025,489
2028	903,971	107,312	1,011,283
2029	722,733	71,667	794,400
2030	279,659	49,241	328,900
2031e2035	<u>1,362,520</u>	<u>100,764</u>	<u>1,463,284</u>
	<u>\$ 5,388,745</u>	<u>\$ 662,869</u>	<u>\$ 6,051,614</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.

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 1,432,472	\$ -	\$ -	\$ 335,054
Miscellaneous special revenue fund	116,749	-	-	-
Special aid fund	-	1,498,443	160,959	-
School lunch fund	-	49,330	71,830	-
Debt service fund	161,970	-	-	-
Capital projects fund	-	163,418	102,265	-
Totals	<u>\$ 1,711,191</u>	<u>\$ 1,711,191</u>	<u>\$ 335,054</u>	<u>\$ 335,054</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	\$ 1,332,199
2024	872,334
2023	752,009

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 \$3,833,280 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 and 2024, the School District's proportion was .0223571% and .0213087%, respectively, which were measured at March 31, 2025 and 2024, respectively.

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 \$839,140. 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	\$ 951,446	\$ 44,880
Changes of Assumptions	160,760	-
Net difference between projected and actual earnings on pension plan investments	300,748	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	162,036	81,389
Contributions subsequent to the measurement date	333,050	-
Total	<u>\$ 1,908,040</u>	<u>\$ 126,269</u>

The School District recognized \$333,050 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 as 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	\$ 667,876
2027	1,005,934
2028	(295,561)
2029	70,472
2030	-
Thereafter	-
	<u>\$ 1,448,721</u>

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	2.90%
Salary scale	4.3% 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

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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 Type</u>	<u>Target Allocations in %</u>	<u>Long-Term expected real rate of return in %</u>
Domestic Equity	25.0	6.54%
International Equity	14.0	6.57%
Private Equity	15.0	7.25%
Real Estate	12.0	4.95%
Opportunistic/ARS portfolio	3.0	5.25%
Credit	4.0	5.40%
Real Assets	4.0	5.55%
Fixed Income	22.0	2.00%
Cash	1.0	0.25%
	<u>100%</u>	

Discount Rate

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

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:

	<u>1% Decrease (4.90%)</u>	<u>Current Discount (5.90%)</u>	<u>1% Increase (6.90%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ 11,993,995</u>	<u>\$ 3,833,280</u>	<u>\$ (2,229,422)</u>

11. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position (in thousands)

The components of the current-year net pension liability of the employers 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.

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	\$ 4,257,700
2024	3,813,780
2023	3,487,347

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

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

At June 30, 2025, the School District reported an asset of \$6,237,016 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 an 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 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 and 2024, the School District's proportionate share was 0.209043% and 0.200675%, respectively, which were measured at June 30, 2024 and 2023, respectively.

For the year ended June 30, 2025, the School District recognized pension expense of \$3,368,601. 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	\$ 6,716,123	\$ -
Changes of Assumptions	3,731,000	627,589
Net difference between projected and actual earnings on pension plan investments	-	6,929,857
Changes in proportion and differences between the District's contributions and proportionate share of contributions	230,797	435,986
Contributions subsequent to the measurement date	4,257,699	-
Total	<u>\$ 14,935,619</u>	<u>\$ 7,993,432</u>

The School District recognized \$4,257,699 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 liability in the year ending June 30, 2026.

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	\$ (3,274,184)
2026	7,596,939
2027	(1,248,595)
2028	(1,421,852)
2029	754,746
Thereafter	277,434
	<u>\$ 2,684,488</u>

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

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 asset 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><tr><th><u>Service</u></th><th><u>Rate</u></th></tr><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></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 MP2021, applied on a generational basis. Active member mortality rates are based on a 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)

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

Long Term Expected Rate of Return

<u>Asset Type</u>	<u>Target Allocations in%</u>	<u>Long-term expected real rate of return in%</u>
Domestic Equity	33.0	6.6%
International Equity	15.0	7.4%
Global Equity	4.0	6.9%
Real Estate Equity	11.0	6.3%
Private Equity	9.0	10.0%
Domestic Fixed Income	16.0	2.6%
Global Bonds	2.0	2.5%
Private Debt	2.0	5.9%
Real Estate Debt	6.0	3.9%
High-Yield Bonds	1.0	4.8%
Cash Equivalents	1.0	0.5%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.95 percent. 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 districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percent lower (5.95%) or 1 percent higher (7.95 %) 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>\$ 28,809,138</u>	<u>\$ (6,237,016)</u>	<u>\$ (35,711,872)</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	145,821,434,780
Net pension liability (asset)	\$ (2,983,608,315)
TRS net position as a percentage of total pension liability	102.09%

12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The School District's defined benefit OPEB plan provides OPEB for eligible retired employees of the School District, their spouses and their dependent children.

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

Benefits Provided

The School District provides medical and Medicare Part B benefits to retired employees and their eligible dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries	
currently receiving benefits	438
Active employees	655
Total participants	1,093

Total OPEB Liability

The School District's total OPEB liability of \$148,042,042 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary increases	Varies by years of service and retirement system
Discount Rate	4.81% as of June 30, 2024
Healthcare Cost Trend Rates	
Medical	6.75% initial rate decreasing to an ultimate rate of 4.04% by 2075
Dental	3.00% per annum

Mortality rates were based on Pub-2010 Teachers and General Employees Headcount-Weighted table projected fully generationally using MP-2021.

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

Mortality rates were based on Pub-2010 Headcount Weighted Mortality Table projected generationally with MP-2021 from the central year.

Changes in the Total OPEB Liability

Balance at July 1, 2024	<u>\$ 159,855,380</u>
Changes for the Year	
Service cost	4,707,281
Interest	6,813,753
Changes of benefit terms	11,159
Changes in assumptions or other inputs	(14,408,642)
Differences between expected and actual experience	(3,448,713)
Benefit payments	<u>(5,488,176)</u>
Net changes	<u>(11,813,338)</u>
Balance at June 30, 2025	<u>\$ 148,042,042</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.21% to 4.81%.

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 (3.81%) or 1 percentage point higher (5.81%) than the current discount rate:

	1% Decrease (3.81%)	Current Discount (4.81%)	1% Increase (5.81%)
Total OPEB Liability	<u>\$173,437,692</u>	<u>\$148,042,042</u>	<u>\$127,971,335</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		
	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	<u>\$124,886,773</u>	<u>\$148,042,042</u>	<u>\$177,866,959</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 \$5,639,350. 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	\$ 3,746,262	\$ 4,652,931
Changes of assumptions	<u>7,033,825</u>	<u>40,853,245</u>
Total	<u>\$ 10,780,087</u>	<u>\$ 45,506,176</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</u>	<u>Amount</u>
2026	\$ (5,817,401)
2027	(10,288,878)
2028	(9,689,849)
2029	(3,520,645)
2030	(2,858,261)
Thereafter	<u>(2,551,055)</u>
	<u><u>\$(34,726,089)</u></u>

13. TAX ABATEMENTS

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

13. TAX ABATEMENTS (Continued)

The following are the PILOT agreements and the amount of real property tax that has been abated for the year ended June 30, 2025:

Agreement With	Taxable Value	Tax Rate	Tax Value	PILOT Payment	Abatement Amount
Momentive	\$ 13,660,000	28.270330	\$ 386,173	\$ 139,283	\$ 246,890
Niskayuna Realty LLC	4,041,700	28.270330	114,260	6,620	107,640
Knolls Atomic Power Lab	4,291,300	28.270330	121,316	121,316	-
Woodlawn Group	1,400,000	28.270330	39,578	35,903	3,675
Environment One	180,000	28.270330	5,089	3,053	2,036
Rivers Ledge	21,109,000	28.270330	596,758	111,231	485,527
	<u>\$ 44,682,000</u>		<u>\$ 1,263,174</u>	<u>\$ 417,406</u>	<u>\$ 845,768</u>

14. SELF INSURANCE

Health and Dental Insurance

The School District is self-insured for health insurance benefits, on a cost-reimbursement basis. Under the program, the School District is responsible for claim payments. Empire HealthChoice Assurance, inc. is the third-party claims administrator for the School District's health plan. The cost of medical care is paid out of employee and employer contributions and is held in a separate bank account. The School District pays the medical claims and related administrative fees on a monthly basis by funding the separate bank account. The total cash in the account amounted to \$0 at June 30, 2025. The School District estimates the liability for unpaid health insurance claims to be \$1,436,180 at June 30, 2025.

The School District self-funds the health insurance plan, but has purchased both aggregate and specific stop loss coverage from HM Life Insurance Company of New York. The aggregate insurance provides full coverage for aggregate claims in excess of 124% of expected claims.

The specific stop loss insurance assumes the risk for claims on any individual in excess of \$275,000 paid during a calendar year.

The School District is self-insured for dental insurance benefits on a cost-reimbursement basis. Under the program, the School District is responsible for claim payments. Empire Delta Dental of New York is the third-party claims administrator for the School District's dental plan. The cost of dental care is paid out of employee and employer contributions. The School District pays the dental claims and related administrative fees on a monthly basis by wiring funds to Delta Dental. The District estimates the liability for unpaid dental insurance claims to be \$46,243 for the year ended June 30, 2025. The School District has not purchased stop loss insurance on the self-funded dental plan. The School District's maximum liability is limited to the annual dental allowance per covered individual, which is \$1,500 per covered individual at June 30, 2025.

All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2025 pertaining to both health and dental insurance have been recorded as accounts payable.

The School District establishes health and dental claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors such as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in the exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimated that reflect recent settlements, claims frequency, and other economic and social factors.

14. SELF INSURANCE (Continued)

Health and Dental Insurance (Continued)

A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

The School District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. Unpaid claims are included in accounts payable in the General Fund. The following represents changes in those aggregate liabilities for the District during the past two years:

	<u>2025</u>	<u>2024</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 893,936	\$ 461,399
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events for the current year	15,623,749	10,904,807
Increase (decrease) in provision for incurred events of prior years	<u>-</u>	<u>-</u>
Total incurred claims and claim adjustment expenses	16,517,685	11,366,206
Payments made for claims during the current year	<u>(15,035,262)</u>	<u>(10,472,270)</u>
Total unpaid claims and claim adjustment expenses at end of year	<u>\$ 1,482,423</u>	<u>\$ 893,936</u>

Workers' Compensation Insurance

The School District is self-insured for workers' compensation benefits on a cost-reimbursement basis. Under the program, the School District is responsible for claim payments. All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2025 have been recorded as accrued workers' compensation on the Statement of Net Position.

The School District establishes workers' compensation claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors such as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in the exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

14. SELF INSURANCE (Continued)

Workers' Compensation Insurance (Continued)

The School District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the School District during the past two years:

	<u>2025</u>	<u>2024</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 638,786	\$ 458,943
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events for the current year	303,979	167,954
Increase (decrease) in provision for incurred events of prior years	<u>27,731</u>	<u>135,972</u>
Total incurred claims and claim adjustment expenses	970,496	762,869
Payments made for claims during the current year	<u>(207,010)</u>	<u>(124,083)</u>
Total unpaid claims and claim adjustment expenses at end of year	<u>\$ 763,486</u>	<u>\$ 638,786</u>

15. RISK MANAGEMENT

General Information

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

Litigation

The School District has several claims that are currently being litigated with the support of legal counsel. While the claims against the School District are substantial, management and legal counsel believe that the exposure to the School District after insurance is not material. In all cases, it is too soon in the litigation process to estimate any potential loss to the School District.

16. COMMITMENTS AND CONTINGENCIES

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

17. SCHOLARSHIPS

The School District administers scholarships funds, which are restricted by the donor for the purpose of student scholarships and awards.

The School District authorizes expenditures from donor-restricted scholarships in compliance with the wishes expressed by the donor, which varies among the unique scholarships administered by the School District.

18. RECLASSIFICATION

During the year ended June 30, 2025, the School District reviewed the classification of its governmental funds in accordance with the provisions of GASB Statement No. 84 and other applicable guidance. As a result of the review, it was determined that Extraclassroom Activity Funds should no longer be accounted for within the General Fund. Effective July 1, 2024, the Extraclassroom activity has been reclassified and is now reported within the Miscellaneous Special Revenue Fund.

The reclassification had the following effect on the beginning fund balances:

	Governmental Activities	
	Cash	Net Position
Balance at June 30, 2024, as previously reported	\$ 2,711,767	\$ (74,863,373)
Restatement of beginning balance - ECAF	150,129	150,129
Balance at July 1, 2024, as reclassified	<u>\$ 2,861,896</u>	<u>\$ (74,713,244)</u>

	Miscellaneous Special Revenue Fund	
	Cash	Fund Balance
Balance at June 30, 2024, as previously reported	\$ 153,573	\$ 283,736
Restatement of beginning balance - ECAF	150,129	150,129
Balance at July 1, 2024, as reclassified	<u>\$ 303,702</u>	<u>\$ 433,865</u>

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

NISKAYUNA CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL2 GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 62,273,358	\$ 62,273,358	\$ 62,495,016	\$ -	\$ 221,658
Other tax items	3,077,295	3,077,295	2,842,248	-	(235,047)
Charges for services	656,083	656,083	1,013,627	-	357,544
Use of money and property	1,798,338	1,798,338	1,960,494	-	162,156
Sale of property and compensation for loss	17,500	17,500	5,601	-	(11,899)
Miscellaneous	1,700,000	1,700,000	2,526,675	-	826,675
Total local sources	69,522,574	69,522,574	70,843,661	-	1,321,087
State sources	38,347,302	38,347,302	37,506,773	-	(840,529)
Medicaid reimbursement	325,000	325,000	348,646	-	23,646
Total revenue	<u>\$ 108,194,876</u>	<u>\$ 108,194,876</u>	<u>\$ 108,699,080</u>	<u>\$ -</u>	<u>\$ 504,204</u>

(Continued)

See the independent auditor's report

NISKAYUNA 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	\$ 52,307	\$ 49,048	\$ 43,994	\$ -	\$ 5,054
Central administration	485,348	525,661	509,839	794	15,028
Finance	1,063,164	1,388,003	1,336,481	31,722	19,800
Staff	1,196,843	1,121,140	986,539	-	134,601
Central services	6,872,213	11,542,614	9,695,391	407,207	1,440,016
Special items	1,171,254	1,344,568	1,318,610	-	25,958
Total general support	10,841,129	15,971,034	13,890,854	439,723	1,640,457
INSTRUCTION:					
Instruction, administration, and improvement	4,092,447	4,321,531	4,224,786	604	96,141
Teaching - regular school	29,197,306	30,007,230	29,353,682	76,664	576,884
Programs for children with handicapping conditions	12,893,919	12,214,394	11,818,942	144,122	251,330
Programs for English language learners	804,684	825,420	808,037	-	17,383
Occupational education	658,604	746,604	746,464	-	140
Teaching - special school	345,571	347,805	289,995	-	57,810
Instructional media	4,946,021	4,865,424	4,953,871	560,603	(649,050)
Pupil services	5,432,038	5,551,061	5,373,042	29,584	148,435
Total instruction	58,370,590	58,879,469	57,568,819	811,577	499,073
Pupil transportation	5,696,340	5,890,550	5,592,407	2,355	295,788
Employee benefits	27,197,907	27,073,114	26,829,185	-	243,929
Debt service - principal	5,463,848	5,537,766	5,684,440	-	(146,674)
Debt service - interest	2,912,869	3,152,677	3,208,494	-	(55,817)
Total expenditures	110,482,683	116,504,610	112,774,199	1,253,655	2,476,756
OTHER FINANCING SOURCES (USES)					
Proceeds from the issuance of leases	-	3,547,285	3,547,285	-	-
Transfers to other funds	(288,086)	(403,086)	(335,054)	-	68,032
	(288,086)	3,144,199	3,212,231	-	68,032
Total expenditures and other financing uses	110,770,769	113,360,411	109,561,968	1,253,655	2,544,788
NET CHANGE IN FUND BALANCE	(2,575,893)	(5,165,535)	(862,888)	(1,253,655)	3,048,992
FUND BALANCE - beginning of year	22,049,274	22,049,274	22,049,274	-	-
FUND BALANCE - end of year	\$ 19,473,381	\$ 16,883,739	\$ 21,186,386	\$ (1,253,655)	\$ 3,048,992

See the independent auditor's report

NISKAYUNA 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 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.022357%	0.213000%	0.022900%	0.020000%	0.020000%	0.020000%	0.020000%	0.020000%	0.020000%	0.020000%
Proportionate share of the net pension liability (asset)	\$3,833	\$3,138	\$4,781	(\$1,869)	\$23	\$6,315	\$1,713	\$783	\$2,275	\$3,621
Covered-employee payroll	\$8,539	\$8,643	\$7,321	\$6,881	\$6,785	\$7,351	\$7,187	\$7,154	\$8,255	\$8,092
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	44.89%	36.31%	65.31%	-27.16%	0.34%	85.91%	23.83%	10.94%	27.56%	44.75%
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 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.209043%	0.200700%	0.200900%	0.200000%	0.200000%	0.200000%	0.200000%	0.200000%	0.200000%	0.190000%
Proportionate share of the net pension liability (asset)	(\$6,237)	\$2,295	\$3,855	(\$35,953)	\$5,710	(\$5,212)	(\$3,585)	(\$1,512)	\$2,131	(\$20,083)
Covered-employee payroll	\$42,114	\$40,701	\$37,537	\$36,089	\$30,315	\$35,752	\$34,473	\$33,099	\$32,451	\$31,551
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-14.81%	5.64%	10.27%	-99.62%	18.83%	-14.58%	-10.40%	-4.57%	6.57%	-63.65%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.09%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

NISKAYUNA CENTRAL SCHOOL DISTRICT

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,332	\$ 872	\$ 752	\$ 1,009	\$ 978	\$ 979	\$ 1,005	\$ 1,009	\$ 958	\$ 996
Contributions in relation to the contractually required contribution	1,332	872	752	1,009	978	979	1,005	1,009	958	996
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 8,539	\$ 8,643	\$ 7,321	\$ 6,881	\$ 6,785	\$ 7,351	\$ 7,187	\$ 7,154	\$ 8,255	\$ 8,092
Contributions as a percentage of covered-employee payroll	15.60%	10.09%	10.27%	14.67%	14.41%	13.32%	13.98%	14.10%	11.60%	12.31%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 4,258	\$ 3,814	\$ 3,487	\$ 3,356	\$ 3,107	\$ 3,556	\$ 3,165	\$ 3,695	\$ 4,071	\$ 5,091
Contributions in relation to the contractually required contribution	4,258	3,814	3,487	3,356	3,107	3,556	3,165	3,695	4,071	5,091
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 42,114	\$ 40,701	\$ 37,537	\$ 36,089	\$ 30,315	\$ 35,752	\$ 34,473	\$ 33,099	\$ 32,451	\$ 31,551
Contributions as a percentage of covered-employee payroll	10.11%	9.37%	9.29%	9.30%	10.25%	9.95%	9.18%	11.16%	12.54%	16.14%

NISKAYUNA 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	\$ 4,707,281	\$ 4,627,829	\$ 5,554,817	\$ 8,159,245	\$ 7,739,757	\$ 4,955,666	\$ 4,271,208	\$ 4,485,736	\$ 4,542,839	
Interest	6,813,753	6,512,375	5,545,398	4,196,989	4,196,078	4,931,803	5,246,265	4,696,671	4,130,495	
Changes of benefit terms	11,659									
Differences between expected and actual experience	(3,448,713)	(133,909)	4,644,202	244,834	3,418,755	75,024	(12,809,936)			
Changes in assumptions	(14,408,642)	(2,016,568)	(9,280,926)	(43,429,250)	(7,611,923)	40,045,731	10,504,085	(6,616,062)	(18,598,429)	
Benefit payments	(5,488,176)	(4,338,390)	(4,668,015)	(3,797,827)	(3,652,316)	(3,203,447)	(2,701,108)	(2,258,661)	(2,683,293)	
Total change in total OPEB liability	(11,813,338)	4,651,337	1,795,476	(34,626,009)	4,090,351	46,804,777	4,510,514	307,684	(12,608,388)	
Total OPEB liability - beginning	159,855,380	155,204,043	153,408,567	188,034,576	183,944,225	137,939,448	132,628,934	132,321,250	144,929,638	
Total OPEB liability - ending	\$ 148,042,042	\$ 159,855,380	\$ 155,204,043	\$ 153,408,567	\$ 188,034,576	\$ 183,944,225	\$ 137,139,448	\$ 132,628,934	\$ 132,321,250	
Covered employee payroll	\$ 46,148,258	\$ 38,974,320	\$ 37,113,889	\$ 46,032,971	\$ 43,892,500	\$ 36,000,594	\$ 34,594,222	\$ 35,706,244	\$ 33,704,631	
Total OPEB liability as a percentage of covered employee payroll	320.80%	410.16%	418.18%	333.26%	428.40%	510.95%	396.42%	371.44%	392.59%	

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	4.81%	4.21%	4.13%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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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.

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.

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.

SUPPLEMENTARY INFORMATION

NISKAYUNA CENTRAL SCHOOL DISTRICT

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

	Special Aid	School Lunch	Debt Service	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents - unrestricted	\$ 10	\$ 130	\$ -	\$ -	\$ 140
Cash and cash equivalents - restricted	-	-	949,177	306,919	1,256,096
Accounts receivable	-	52,093	-	-	52,093
State and federal aid receivable	1,573,260	78,546	-	-	1,651,806
Due from other funds	-	-	161,970	116,749	278,719
Inventory	-	37,196	-	-	37,196
TOTAL ASSETS	\$ 1,573,270	\$ 167,965	\$ 1,111,147	\$ 423,668	\$ 3,276,050
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 26,022	\$ 74,323	\$ -	\$ -	\$ 100,345
Accrued liabilities	-	18	-	-	18
Due to other funds	1,498,443	49,330	-	-	1,547,773
Due to other governments	47,650	43	-	-	47,693
Unearned revenue	1,155	44,251	-	-	45,406
TOTAL LIABILITIES	\$ 1,573,270	\$ 167,965	\$ -	\$ -	\$ 1,741,235

(Continued)

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

SCHEDULE OF COMBINING BALANCE SHEET 1- NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2025

	<u>Special Aid</u>	<u>School Lunch</u>	<u>Debt Service</u>	<u>Miscellaneous Special Revenue</u>	<u>Total Non-Major Governmental Funds</u>
FUND BALANCE:					
Nonspendable:					
Inventory	<u> </u>	<u>37,196</u>	<u> </u>	<u> </u>	<u>37,196</u>
Restricted:					
Other - Extraclassroom, scholarships	<u> </u>	<u> </u>	<u> </u>	<u>423,668</u>	<u>423,668</u>
Debt service	<u> </u>	<u> </u>	<u>1,111,147</u>	<u> </u>	<u>1,111,147</u>
Total restricted fund balance	<u> </u>	<u> </u>	<u>1,111,147</u>	<u>423,668</u>	<u>1,534,815</u>
Unassigned	<u> </u>	<u>(37,196)</u>	<u> </u>	<u> </u>	<u>(37,196)</u>
TOTAL FUND BALANCE	<u> </u>	<u> </u>	<u>1,111,147</u>	<u>423,668</u>	<u>1,534,815</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,573,270</u>	<u>\$ 167,965</u>	<u>\$ 1,111,147</u>	<u>\$ 423,668</u>	<u>\$ 3,276,050</u>

The accompanying notes are an integral part of these statements.

NISKAYUNA 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

	Special Aid	School Lunch	Debt Service	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
REVENUE:					
Use of money and property	\$ -	\$ -	\$ 205,866	\$ 2,873	\$ 208,739
Miscellaneous	38,615	10,625	-	272,939	322,179
State sources	598,884	129,488	-	-	728,372
Federal sources	1,561,474	732,288	-	-	2,293,762
Sales - School lunch	-	1,143,600	-	-	1,143,600
	<u>2,198,973</u>	<u>2,016,001</u>	<u>205,866</u>	<u>275,812</u>	<u>4,696,652</u>
Total revenue					
EXPENDITURES:					
Instruction	2,169,405	-	-	-	2,169,405
Pupil transportation	172,801	-	-	-	172,801
Employee benefits	17,726	258,589	-	-	276,315
Other	-	-	285,864	286,009	571,873
Cost of sales	-	1,940,519	-	-	1,940,519
	<u>2,359,932</u>	<u>2,199,108</u>	<u>285,864</u>	<u>286,009</u>	<u>5,130,913</u>
Total expenditures					
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(160,959)</u>	<u>(183,107)</u>	<u>(79,998)</u>	<u>(10,197)</u>	<u>(434,261)</u>
OTHER FINANCING SOURCES (USES):					
Premium on issuance of debt	-	-	433,475	-	433,475
Operating transfers in	160,959	711,830	-	-	232,789
	<u>160,959</u>	<u>711,830</u>	<u>433,475</u>	<u>-</u>	<u>666,264</u>
Total other financing sources (uses)					
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>(111,277)</u>	<u>353,477</u>	<u>(10,197)</u>	<u>232,003</u>
FUND BALANCE - beginning of year, as previously reported	-	111,277	757,670	283,736	1,152,683
RECLASSIFICATION (Note 18)	-	-	-	150,129	150,129
FUND BALANCE - beginning of year, as reclassified	<u>-</u>	<u>111,277</u>	<u>757,670</u>	<u>433,865</u>	<u>1,302,812</u>
FUND BALANCE - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,111,147</u>	<u>\$ 423,668</u>	<u>\$ 1,534,815</u>

The accompanying notes are an integral part of these statements.

OTHER INFORMATION (UNAUDITED)

NISKAYUNA 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	\$ 110,770,769
Add: Prior year's encumbrances	<u>2,391,417</u>
Original budget	113,162,186
Budget revisions	<u>198,225</u>
Final budget	<u>\$ 113,360,411</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 voter-approved expenditure budget	\$ 116,121,281	
Maximum allowed (4% of 2025-26 budget)		<u>\$ 4,644,851</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance	3,829,548	
Unassigned fund balance	<u>4,644,856</u>	
	<u>\$ 8,474,404</u>	
Less:		
Appropriated fund balance	2,575,893	
Encumbrances included in assigned fund balance	<u>1,253,655</u>	
Total adjustments	<u>\$ 3,829,548</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u>\$ 4,644,856</u>
Actual percentage		4.00%

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

NISKAYUNA CENTRAL SCHOOL DISTRICT

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

	Expenditures					Methods of Financing					Fund Balance June 30, 2025
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds from Debt	State Sources	Local Sources	Total	
School Buses Purchases	\$ 703,930	\$ 703,930	\$ 703,067	\$ -	\$ 703,067	\$ 863	\$ 703,930	\$ -	\$ -	\$ 703,930	\$ 863
School Buses Purchases	974,092	974,092	973,252	-	973,252	840	974,092	-	-	974,092	840
School Buses Purchases	970,000	970,000	965,271	-	965,271	4,729	970,000	-	-	970,000	4,729
School Buses Purchases	1,525,000	1,525,000	306,742	1,196,794	1,503,536	21,464	1,525,000	-	-	1,525,000	21,464
School Buses Purchases	1,766,422	1,766,422	-	1,008,941	1,008,941	757,481	1,766,422	-	-	1,766,422	757,481
Birchwood ES Phase 1C - SED Project# 001-010	107,900	211,655	147,652	-	147,652	64,003	278,505	-	27,341	305,846	158,194
Birchwood ES Phase 1C* - SED Project# 001-012	246,500	-	227,088	6,692	233,780	12,720	243,008	-	-	243,008	9,228
VAMS Roof Project - SED Project# 001-014	1,570,000	1,594,978	1,332,161	-	1,332,161	262,817	1,037,926	-	294,235	1,332,161	-
VAMS Phase 1B - SED Project# 001-015	135,000	173,630	173,630	-	173,630	-	143,628	-	30,002	173,630	-
VAMS Phase 2B* - SED Project# 001-016	2,175,000	3,851,754	926,440	2,812,492	3,738,932	112,822	-	-	-	-	(3,738,932)
VAMS Gym Floors2 SED Project # 001-017	115,000	102,265	-	102,265	102,265	-	-	-	102,265	102,265	-
Craig ES Phase 1B - SED Project # 2015	1,294,000	1,281,190	1,278,721	-	1,278,721	2,469	1,040,631	-	238,090	1,278,721	-
Craig ES Phase 1C - SED Project # 2016	107,900	211,655	258,518	-	258,518	(46,863)	278,463	-	27,338	305,801	47,283
Craig ES Phase 1C* - SED Project # 2018	388,335	-	347,188	7,758	354,946	33,389	382,834	-	-	382,834	27,888
Glenduff ES Phase 1A* - SED Project# 3016	1,624,023	-	1,382,392	-	1,382,392	241,631	177,473	-	1,444,000	1,621,473	239,081
Glenduff ES Phase 1B - SED Project # 3015	128,000	128,000	44,696	-	44,696	83,304	20,981	-	23,715	44,696	-
Glenduff ES Phase 1C* - SED Project # 3017	129,874	-	103,351	4,871	108,222	21,652	128,035	-	-	128,035	19,813
Rosendale ES Phase 1A* - SED Project # 4014	1,614,150	-	1,516,339	-	1,516,339	97,811	259,422	-	1,351,000	1,610,422	94,083
Rosendale ES Phase 1B - SED Project # 4013	221,000	221,000	94,298	-	94,298	126,702	53,353	-	40,945	94,298	-
Rosendale ES Phase 2A* - SED Project # 4015	1,385,500	-	1,868,777	128,129	1,996,906	(611,406)	1,365,874	-	-	1,365,874	(631,032)
Bus Garage Roof Project - SED Project # 5002	108,000	108,642	62,817	-	62,817	45,825	42,724	-	20,093	62,817	-
Bus Garage Roof Project 1A* - SED Project# 5003	1,794,749	-	1,423,133	-	1,423,133	371,616	-	-	1,794,749	1,794,749	371,616
NHS Phase 1A* - SED Project# 6029	439,028	-	558,947	-	558,947	(119,919)	52,277	-	386,000	438,277	(120,670)
NHS Phase 1B - SED Project# 6026	396,000	615,914	615,914	-	615,914	-	514,140	-	101,774	615,914	-
NHS Phase 1B* - SED Project# 6030	13,955,984	-	13,207,073	542,496	13,749,569	206,415	11,045,873	-	2,751,391	13,797,264	47,695
NHS Phase 1C* - SED Project# 6031	1,492,105	-	1,443,488	35,417	1,478,905	13,200	1,470,968	-	490,442	1,961,410	482,505
NHS Pool Roof - SED Project # 6032	517,900	517,900	382,587	68,990	451,577	66,323	-	-	517,900	517,900	66,323
NHS Transformer Mitigation - SED Project # 6027	900,000	900,000	514,662	-	514,662	385,338	-	-	514,662	514,662	-
Hillside ES Phase 1B - SED Project # 7013	159,000	165,580	165,580	-	165,580	-	135,272	-	30,308	165,580	-
Hillside ES Phase 1C* - SED Project# 7015	65,225	-	94,908	4,903	99,811	(34,586)	64,301	-	-	64,301	(35,510)
IRMS Phase 1B - SED Project# 8015	460,000	460,000	379,457	-	379,457	80,543	294,231	-	85,226	379,457	-
IRMS Phase 2A* - SED Project # 8016	30,122,500	-	26,705,214	9,666,815	36,372,029	(6,249,529)	29,695,796	-	-	29,695,796	(6,676,233)
IRMS Phase 2A - SED Project# 8017	900,000	900,000	220,472	614,850	835,322	64,678	-	-	900,000	900,000	64,678
Pre-Referendum Costs	-	-	80,224	(80,228)	(4)	4	-	-	-	-	4
\$47.12M Referendum	47,173,350	47,173,350	-	535,892	535,892	46,637,458	-	-	8,000,000	8,000,000	7,464,108
Smart School Bond Act Phase 1 - SED Project# 90A1	487,700	487,700	481,699	-	481,699	6,001	-	481,699	-	481,699	-
Smart School Bond Act Phase 2 - SED Project # 90A2	761,703	761,703	708,378	-	708,378	53,325	-	708,378	-	708,378	-
Smart School Bond Act Phase 3 - SED Project # 90A3	79,000	79,000	-	79,000	79,000	-	-	79,000	-	79,000	-
Lease Expense	-	4,257,383	4,257,383	-	4,257,383	-	-	-	4,257,383	4,257,383	-
Bond Premium	-	-	-	-	-	-	323,907	-	-	323,907	323,907
Interfund transfer to Debt Service	-	-	323,907	-	323,907	(323,907)	-	-	-	-	(323,907)
Total	\$ 116,993,870	\$ 70,142,743	\$ 64,275,426	\$ 16,736,077	\$ 81,011,503	\$ 42,389,213	\$ 54,989,066	\$ 1,269,077	\$ 23,428,859	\$ 79,687,002	\$ (1234,501)

NISKAYUNA CENTRAL SCHOOL DISTRICT

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

Capital assets, net		\$ 127,717,204
Deduct:		
Unamortized bond premium	3,277,076	
Bond anticipation notes	35,915,000	
Short-term portion of leases payable	1,239,127	
Long-term portion of leases payable	4,149,618	
Short-term portion of bonds payable	3,816,422	
Long-term portion of bonds payable	<u>36,900,000</u>	85,297,243
Add:		
Unspent bond proceeds		<u>35,910,591</u>
Net investment in capital assets		<u>\$ 78,330,552</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 10, 2025

The Board of Education of
Niskayuna 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 the financial audits contained in the *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 Niskayuna 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 financial statements, and have issued our report thereon dated October 10, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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(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*.

Purpose of this Report

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

Bonadio & Co., LLP

NISKAYUNA 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 deficiency(ies) identified?

☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Section II—Financial Statement Findings

None.