HOLLAND PATENT CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AND

BASIC FINANCIAL STATEMENTS

For the Year Ended
June 30, 2025

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
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Independent Auditor's Report

Board of Education
Holland Patent Central School District

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Holland Patent Central School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Holland Patent Central 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 Holland Patent Central School District, as of June 30, 2025, and the respective changes in financial position, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financials audits contained in *Government Auditing Standards* issued by the Comptroller 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 Holland Patent Central 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.

Change in Accounting Principle

As Discussed in Notes 1 and 18 to the financial statements, Holland Patent Central School District, changes its accounting policies related to the recognition and reporting of compensated absences by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences.* 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.

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Holland Patent Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2025, on our consideration of the Holland Patent Central 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 Holland Patent Central 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 Holland Patent Central School District's internal control over financial reporting and compliance.

D'Arcangelo & Co., LLP

October 8, 2025

Rome, New York

The Holland Patent Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2025 and 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025, are as follows:

- The District's total liabilities and deferred inflows exceeded its assets and deferred outflows at the close of the fiscal year by $12,759,083 (total net position (deficit)). This represents an increase of $4,290,271 from the prior year's net position.

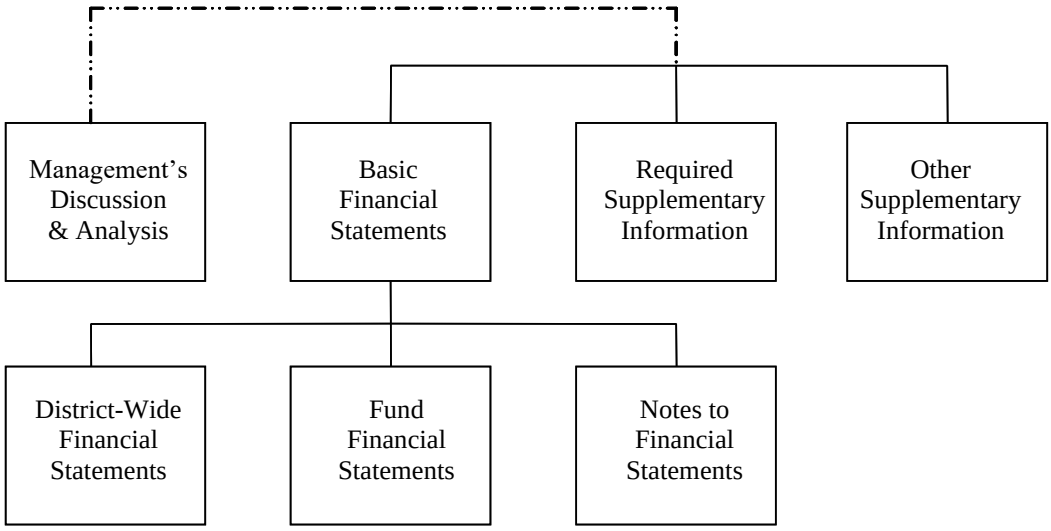
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled $36,000,919. Of this amount, $157,810 and $2,632,430 was offset by program charges for services and operating grants. General revenues of $37,666,314 amounts to 93.1% of total revenues.

- The General Fund's total fund balance, as reflected in the fund financial statements on pages 16 and 18, decreased by Amount to $388,209. This was due to an excess of expenditures, including transfers, over revenues based on the modified accrual basis of accounting.

- State and federal revenue increased by $229,608 to $20,491,803. This is mainly due to increases in BOCES Aid during the current year.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



A. District-wide Financial Statements

The district-wide financial statements present the governmental activities of the School District and are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the School District's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, not the School District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the School District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains six individual governmental funds, general fund, school lunch fund, special aid fund, miscellaneous special revenue, debt service fund, and capital projects fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. The District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District-wide financial statements because the District cannot use these assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The School District's total net position increased $4,290,271 between fiscal year 2025 and 2024. A summary of the School District's Statement of Net Position at June 30, 2025 and 2024 is as follows:

	2025	(Restated) 2024	Increase (Decrease)	Percentage Change
Current and Other Assets	$ 22,454,042	$ 22,498,504	$ (44,462)	(0.2%)
Net Pension Asset	1,775,694		1,775,694	100.0%
Right to Use Leased Assets, Net	795,418	804,636	(9,218)	(1.1%)
Capital Assets, Net	48,813,844	43,004,621	5,809,223	13.5%
Total Assets	73,838,998	66,307,761	7,531,237	11.4%
Deferred Outflows of Resources				
Refunding Bonds	8,921	17,843	(8,922)	(50.0%)
OPEB	5,218,210	8,338,944	(3,120,734)	(37.4%)
Pensions	5,083,438	5,910,452	(827,014)	(14.0%)
Total Deferred Outflows of Resources	10,310,569	14,267,239	(3,956,670)	(27.7%)
Current Liabilities	9,424,460	2,908,693	6,515,767	224.0%
Net Pension Liability	1,416,999	1,987,518	(570,519)	(28.7%)
Long-term Liabilities	49,228,936	78,673,231	(29,444,295)	(37.4%)
Total Liabilities	60,070,395	83,569,442	(23,499,047)	(28.1%)
Deferred Inflows of Resources				
OPEB	34,484,307	12,859,355	21,624,952	168.2%
Pensions	2,353,948	1,195,557	1,158,391	96.9%
Total Deferred Inflows of Resources	36,838,255	14,054,912	22,783,343	162.1%
Net Position				
Net Investment in Capital Assets	30,803,990	29,540,552	1,263,438	4.3%
Restricted	16,668,221	16,795,703	(127,482)	(0.8%)
Unrestricted (Deficit)	(60,231,294)	(63,385,609)	3,154,315	5.0%
Total Net Position (Deficit)	$ (12,759,083)	$ (17,049,354)	$ 4,290,271	25.2%

Current and other assets decreased by $44,462, as compared to the prior year.

The Net Pension Asset/ Liability – Proportionate Share relating to Teacher's Retirement System changed from a $696,362 liability at June 30, 2024 to a $1,775,694 asset at June 30, 2025 due to a change in the actuarially calculated portion of the statewide Pension systems as reported to the District. The Employee's Retirement System liability increased by 125,843.

Right to use leased assets decreased by $9,218 as compared to the prior year due to amortization expense exceeding the new lease additions in the current year. Note 7 to the Financial Statements provides additional information.

Capital assets increased by $5,809,223 as compared to the prior year. This increase is primarily due to amounts expended for capital assets exceeding depreciation expense in the current year. Note 7 to the Financial Statements provides additional information.

Deferred Outflows of Resources decreased by $3,956,670, as compared to the prior year, primarily due to changes in actuarial assumptions used in estimating the OPEB and the Retirement System assets/ liabilities.

Current liabilities increased by $6,515,767, as compared to the prior year. The primary reason for the increase was the increase in bond anticipation notes in the amount of $6,214,553 in the current year.

Long-term liabilities decreased by $29,444,295, primarily due to the decrease in the District's Other Post Employment Benefit liability of $27,382,802, as well as principal payments made on the energy performance contract and serial bonds in the current year of $1,962,504.

Deferred Inflows of Resources increased by $22,783,343, as compared to the prior year, as a result of changes in the assumptions used and the effect of differences between actual and expected experience when estimating the OPEB liability, as well as the net pension asset/ liability, as reported by the retirement systems.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions and leases, net of accumulated depreciation and amortization. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings, and purchase or lease vehicles, equipment and furniture to support District operations.

The restricted portion of net position at June 30, 2025, is comprised of amounts with constraints placed on the use either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Note 1 to the Basic Financial Statements provides further descriptions and detailed balances.

The unrestricted (deficit) portion of net position in the amount of $60,231,294 at June 30, 2025, represents the amount by which the School District's liabilities and deferred inflows exceeded its assets and deferred outflows (excluding capital assets net of related debt and restricted assets).

Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other real property tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2025 and 2024 is as follows:

Revenues	2025	2024	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 157,810	$ 155,181	$ 2,629	1.7%
Operating Grants	2,632,430	3,694,621	(1,062,191)	(28.7%)
General Revenues				
Property Taxes and STAR	14,663,483	14,223,604	439,879	3.1%
State and Federal Sources	20,491,803	20,262,195	229,608	1.1%
Other	2,511,028	2,333,919	177,109	7.6%
Total Revenues	40,456,554	40,669,520	(212,966)	(0.5%)
Expenses				
General Support	9,914,028	6,118,393	3,795,635	62.0%
Instruction	22,751,669	30,185,177	(7,433,508)	(24.6%)
Pupil Transportation	2,101,351	2,895,958	(794,607)	(27.4%)
Debt Service-Unallocated Interest	358,028	372,339	(14,311)	(3.8%)
Food Service Program	1,041,207	1,031,822	9,385	0.9%
Total Expenses	36,166,283	40,603,689	(4,437,406)	(10.9%)
Total Change in Net Position (Deficit)	$ 4,290,271	$ 65,831	$ 4,224,440	

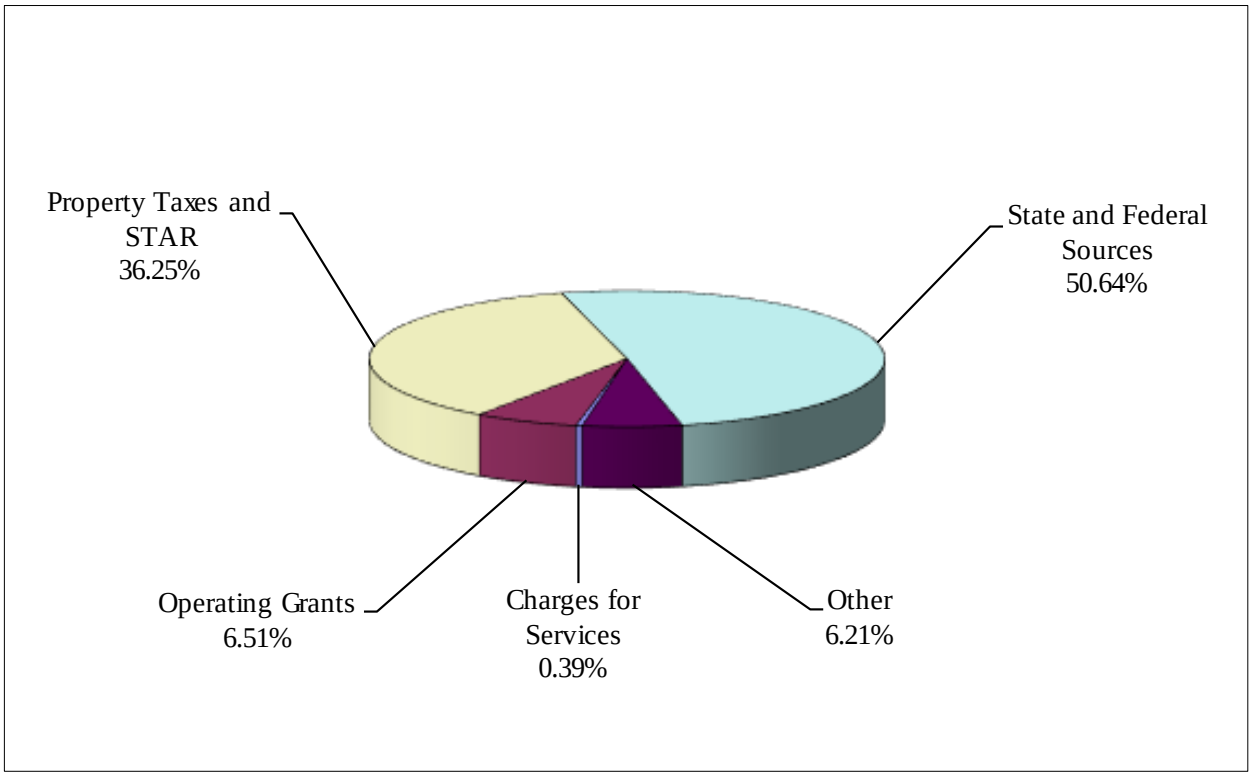
The School District's revenues decreased by 0.5% in 2025 or a net amount of $212,966. The major components that contributed to the net decrease were:

- Operating Grants decreased $1,062,191 mainly due to a decrease in American Rescue Plan Grants of $1,269,159 offset by an increase of $118,607 due to the District becoming fully Community Eligibility Provision (CEP) eligible.
- Property taxes and STAR increased by $439,879 due to the budgeted increase in the tax levy for the 2024-2025 year.
- State and federal sources increased by $229,608 due to an increase in BOCES aid.

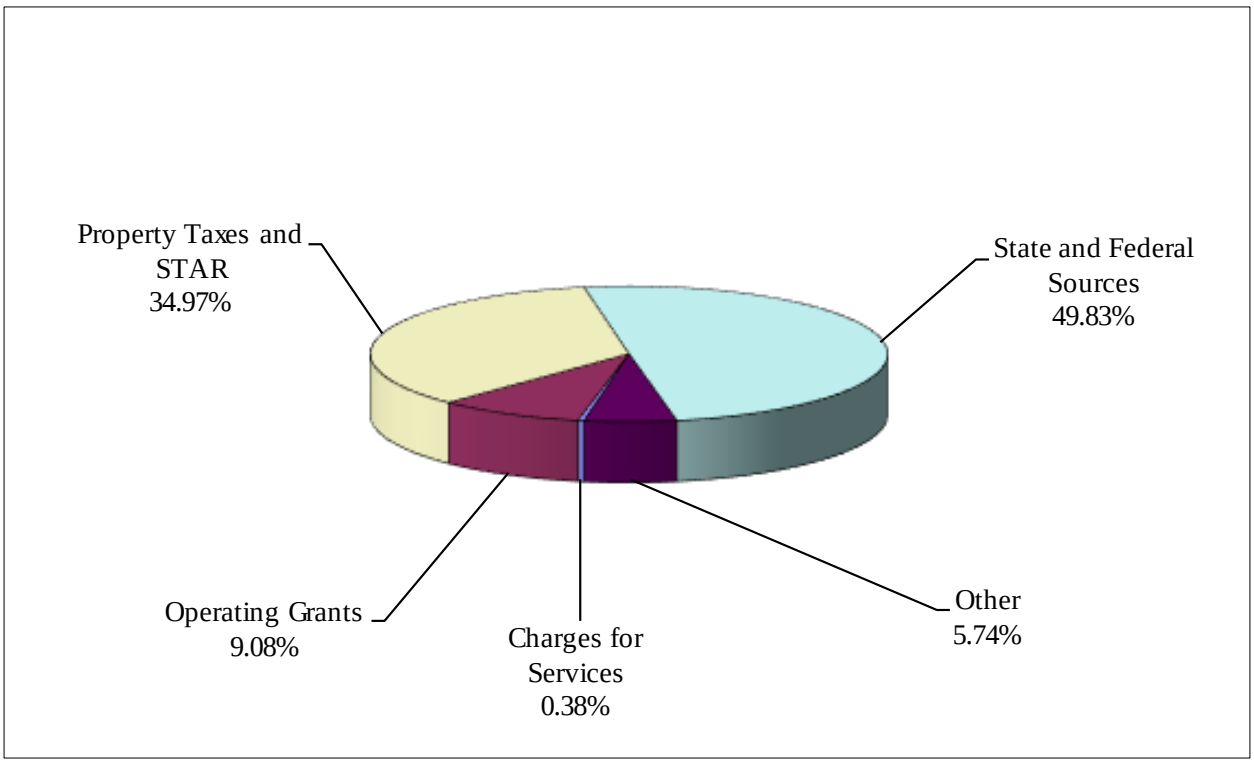
The School District's expenses for the year decreased by $4,602,770 or 11.3%. The overall decrease was primarily due to the allocation of employee benefit expense and pension liabilities in the current year based on actuarial methods.

A graphic display of the distribution of revenues for the two years follows:

For the Year Ended June 30, 2025



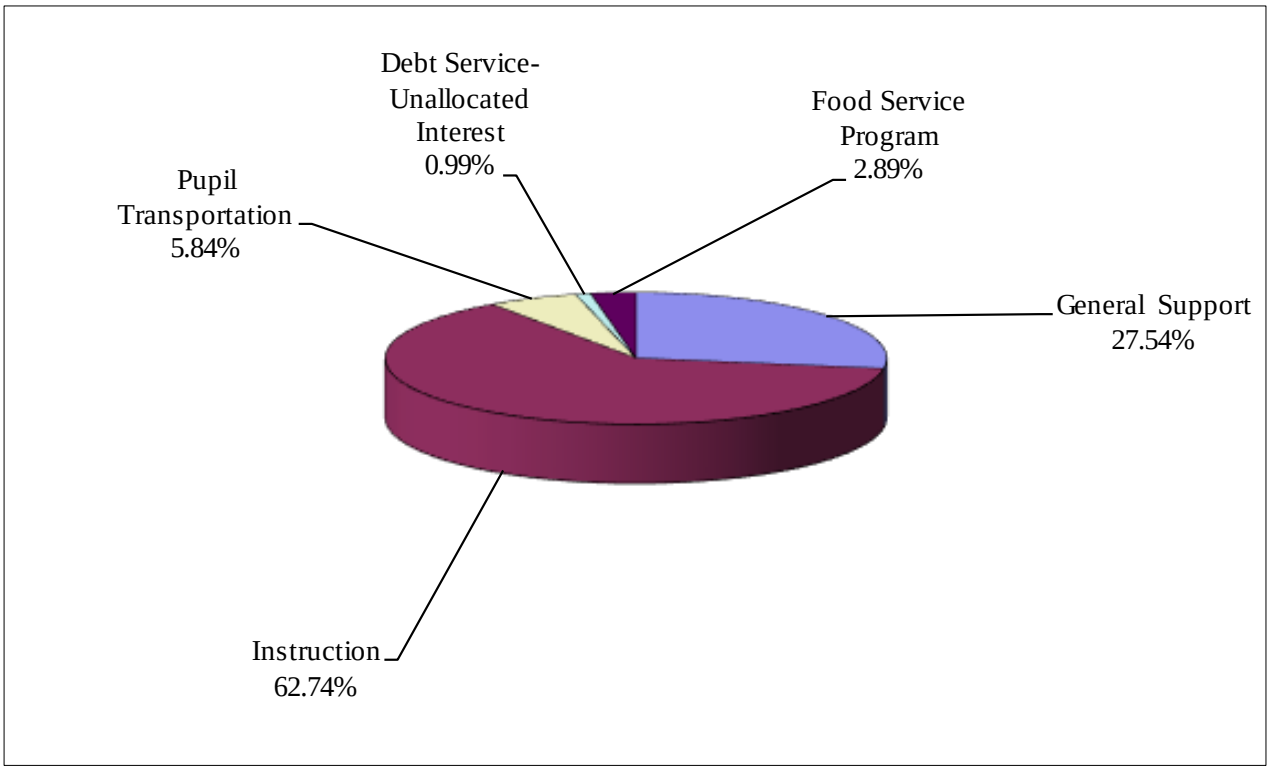
For the Year Ended June 30, 2024



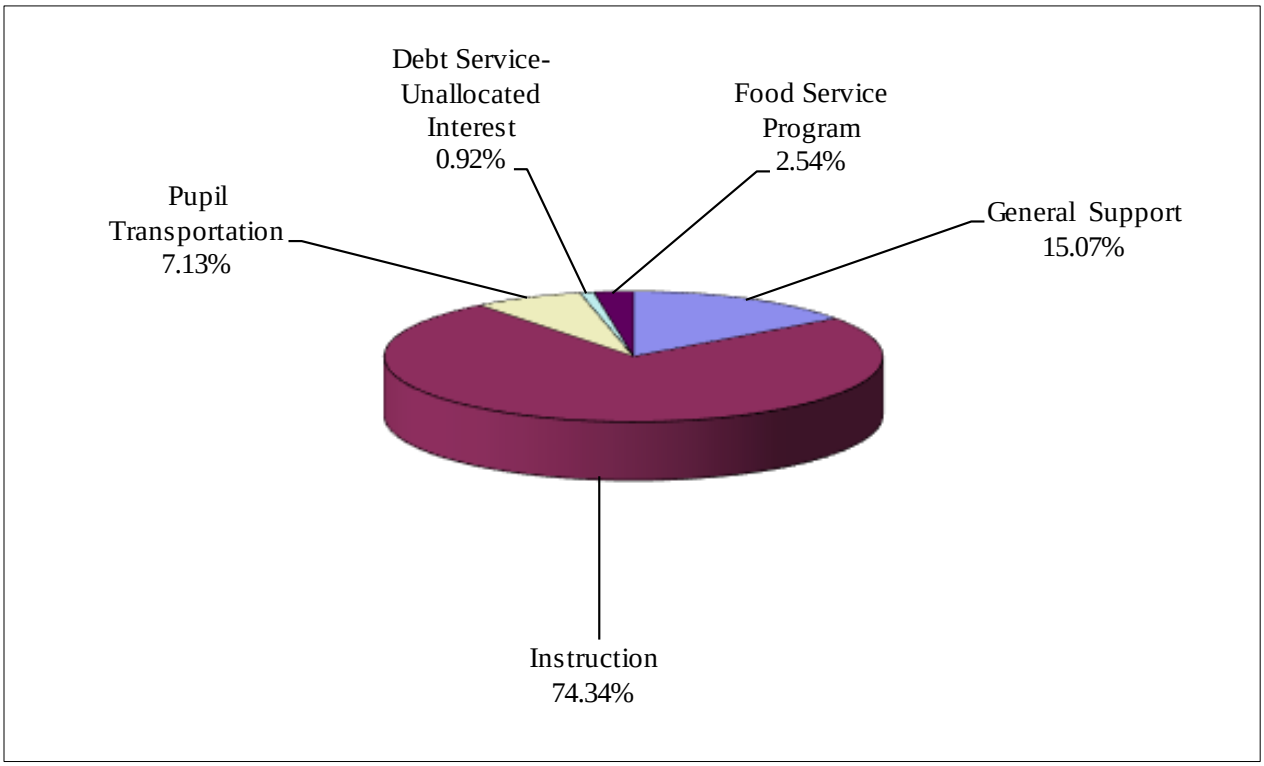
See Independent Auditor's Report.

A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2025



For the Year Ended June 30, 2024



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2025, the School District's governmental funds reported a combined fund balance of $17,604,567, which is a decrease of $13,214,838 from the prior year's combined fund balance of $19,612,827. A summary of the change in fund balance by fund is as follows:

	2025	2024	Increase (Decrease)
General Fund			
Restricted			
Workers' Compensation	$ 533,607	$ 509,796	$ 23,811
Unemployment Insurance	142,434	136,079	6,355
Employee Benefit Accrued Liability	1,491,408	1,482,151	9,257
Retirement Contribution - ERS	4,430,047	4,719,425	(289,378)
Retirement Contribution - TRS	1,001,698	957,000	44,698
Insurance	117,305	112,071	5,234
Tax Certiorari	1,213,588	1,158,558	55,030
Capital Reserve	4,789,586	5,010,428	(220,842)
Repairs	2,965	2,833	132
Total Restricted	13,722,638	14,088,341	(365,703)
Assigned			
Encumbrances	11,153	21,170	(10,017)
Designated for Subsequent Year's Expenditures	2,300,000	2,306,774	(6,774)
Total Assigned	2,311,153	2,327,944	(16,791)
Unassigned	1,570,776	1,576,491	(5,715)
Total General Fund	17,604,567	17,992,776	(388,209)
School Lunch Fund			
Nonspendable	22,260	21,293	967
Assigned	855	3,023	(2,168)
Total School Lunch Fund	23,115	24,316	(1,201)
Miscellaneous Special Revenue Fund			
Restricted	261,526	199,731	61,795
Debt Service Fund			
Restricted	1,706,213	1,569,827	136,386
Capital Projects Fund			
Restricted	977,844	937,804	40,040
Assigned	165,364		165,364
Unassigned (Deficit)	(7,523,791)	(1,111,627)	(6,412,164)
Total Capital Projects Fund (Deficit)	(6,380,583)	(173,823)	(6,206,760)
Total Fund Balance - All Funds	$ 13,214,838	$ 19,612,827	$ (6,397,989)

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2024-2025 Budget

The School District's general fund adopted budget for the year ended June 30, 2025, was $40,436,508. This is an increase of $1,165,685 over the prior year's adopted budget. The budget was funded through a combination of revenues and assigned fund balance. The majority of this funding source was $14,661,900 in estimated property taxes and STAR, and State and Federal Aid in the amount of $20,150,834.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The general fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	$ 1,576,491
Revenues under Budget, including Transfers	(662,274)
Expenditures and Encumbrances under Budget	2,590,856
Net Decrease to Restricted Funds	365,703
Appropriated Fund Balance included in the June 30, 2025 Budget	(2,300,000)
Closing, Unassigned Fund Balance	$ 1,570,776

Opening, Unassigned Fund Balance

The $ 19,612,827 opening unassigned fund balance is the portion of the District's June 30, 2024, fund balance that was retained as unassigned. This was 3.90% of the School District's 2024-2025 approved operating budget.

Revenues Under Budget, including Transfers

The 2024-2025 final budget for revenues including transfers was $38,129,733. The actual revenues and other financing sources received for the year were $37,467,459. The actual revenue and transfers under the budgeted revenue and transfers was $662,274. This variance contributes directly to the change to the unassigned portion of the general fund balance from June 30, 2024 to June 30, 2025.

Expenditures and Encumbrances Under Budget

The 2024-2025 final budget for expenditures was $40,457,677. The actual expenditures and encumbrances were $37,866,821. The final budget was under expended by $2,950,856. This under expenditure contributes to the change of the unassigned portion of the general fund balance from June 30, 2024 to June 30, 2025.

Net Decrease to Restricted Funds

The School District increased restricted funds by $6,397,989 as detailed in Note 13 of the financial statements.

Appropriated Fund Balance Included in the June 30, 2025 Budget

The 2024-2025 final budget included appropriated fund balance of $2,300,000 to partially fund its operations.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the School District will begin the 2025-2026 fiscal year with an unassigned fund balance of $365,703. This is a decrease of $1,570,776 from the unassigned balance as of June 30, 2024. This is 3.74% of the School District's 2025-2026 approved operating budget.

6. CAPITAL AND RIGHT TO USE LEASED ASSETS

At June 30, 2025, the District had invested in a broad range of capital assets, including land, land improvements, buildings and improvements, and vehicles, furniture, and equipment. The net increase in capital assets is due to capital additions less depreciation recorded for the year ended June 30, 2025. A summary of the District's capital assets, net of depreciation at June 30, 2025 and 2024, is as follows:

	2025	2024	Increase (Decrease)
Land	$ 110,000	$ 110,000	$
Construction in Progress	16,405,494	10,153,621	6,251,873
Buildings and Improvements	30,049,934	30,512,929	(462,995)
Vehicles, Furniture, and Equipment	2,248,416	2,228,071	20,345
Capital Assets, Net	$ 48,813,844	$ 43,004,621	$ 5,809,223

At June 30, 2025, the District had recorded a right to use leased asset equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, net of accumulated amortization. A summary of the District's right to use leased assets, net of amortization at June 30, 2025 and 2024, is as follows:

	2025	2024	Increase (Decrease)
Right to Use Leased Assets -Equipment, Net	$ 795,418	$ 804,636	$ (9,218)

7. DEBT ADMINISTRATION

At June 30, 2025, the District had total bonds payable and energy performance contracts of $11,127,831. A summary of outstanding bonds and energy performance contracts payable at June 30, 2025 and 2024, is as follows:

Issue Date	Interest Rate	2025	2024	(Decrease)
10/31/2015	3.09%	$ 967,830	$ 1,165,335	$ (197,505)
6/08/2017	3.00%-5.00%	2,225,000	2,510,000	(285,000)
6/17/2019	2.68%	965,000	1,055,000	(90,000)
3/20/2020	1.5-5.0%	80,000	560,000	(480,000)
6/16/2021	2.00%	6,890,000	7,800,000	(910,000)
		$ 11,127,830	$ 13,090,335	$ (1,962,505)

8. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District passed a budget in May 2025 that reflects a 3.19% tax levy increase, which is at the allowed levy limit. The District has continued to analyze the use of resources in order to support teaching and learning, as well as facilities management. The District is in the construction stages of an approved $18.85 million capital project as of June 30, 2025. This balanced project is primarily focused on updating facilities. The District has had a long-standing record of sound fiscal planning and maintaining excellent programming for children. Continued fiscal planning to mitigate future variables is necessary as the District strives to continue our positive impact on the children of this District, and as the District continues to investigate additional programming to meet the needs of our students.

9. CONTACTING THE DISTRICT

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

Holland Patent Central School District
9601 Main Street
Holland Patent, New York 13354

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2025

Assets	
Cash and Cash Equivalents	$ 148,007
Restricted Cash and Cash Equivalents	16,152,540
Investments	3,043,646
Receivables	
Due From Other Governments	1,720,058
Other Receivables	1,366,118
Inventory	22,260
Other Assets	1,413
Net Pension Asset-Proportionate Share	1,775,694
Right to Use Leased Assets, Net of Amortization	795,418
Capital Assets Not Being Depreciated	16,515,494
Capital Assets Being Depreciated, Net of Accumulated Depreciation	32,298,350
Total Assets	73,838,998
Deferred Outflows of Resources	
Deferred Charges on Refunding Bonds	8,921
Other Postemployment Benefits	5,218,210
Pensions	5,083,438
Total Deferred Outflows of Resources	10,310,569
Total Assets and Deferred Outflow of Resources	$ 84,149,567
Liabilities	
Accounts Payable	$ 185
Accrued Liabilities	211,846
Due To	
Other Governments	439
Teachers' Retirement System	1,332,729
Employees' Retirement System	134,772
Retainage Payable	165,364
Short-Term Notes Payables	
Bond Anticipation Notes	7,446,347
Unearned Revenue	
Overpayments and Collections in Advance	10,316
Accrued Interest Payable	122,462
Long-term Liabilities	
Due Within One Year	
Bonds Payable	1,030,000
Premium on Bond	147,504
Energy Performance Contract Payable	203,665
Compensated Absences	613,800
Due in More Than One Year	
Bonds Payable	9,130,000
Premium on Bond	610,601
Energy Performance Contract Payable	764,165
Other Postemployment Benefits	33,945,323
Net Pension Liability - Proportionate Share	1,416,999
Compensated Absences	2,783,878
Total Liabilities	60,070,395
Deferred Inflows of Resources	
Other Postemployment Benefits	34,484,307
Pension	2,353,948
Total Deferred Inflows of Resources	36,838,255
Total Liabilities and Deferred Inflow of Resources	96,908,650
Net Position	
Net Investment in Capital Assets	30,803,990
Restricted	16,668,221
Unrestricted (Deficit)	(60,231,294)
Total Net Position (Deficit)	(12,759,083)
Total Liabilities, Deferred Inflows of Resources, and Net Assets	$ 84,149,567

The Accompanying Notes are an Integral Part of These Financial Statements.

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
General Support	$ 9,914,028	$	$	$ (9,914,028)
Instruction	22,751,669	42,574	1,815,599	(20,893,496)
Pupil Transportation	2,101,351			(2,101,351)
Debt Service - Unallocated Interest	358,028			(358,028)
Food Service Program	1,041,207	115,236	816,831	(109,140)
Total Functions/Programs	$ 36,166,283	$ 157,810	$ 2,632,430	(33,376,043)
General Revenues				
Real Property Taxes				13,021,085
Other Real Property Tax Items				1,642,398
Use of Money and Property				1,081,069
Sale of Property and Compensation for Loss				(17,261)
State and Federal Sources				20,491,803
Miscellaneous				1,447,220
Total General Revenues				37,666,314
Change in Net Position				4,290,271
Net Position (Deficit), Beginning of Year				(14,430,892)
Cumulative Effect of Change in Accounting Principle				(2,618,462)
Net Position (Deficit), Beginning of Year, as Restated				(17,049,354)
Net Position (Deficit), End of Year				$ (12,759,083)

The Accompanying Notes are an Integral Part of These Financial Statements.

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Assets							
Cash and Cash Equivalents	$ 102,281	$ 24,614	$ 21,112	$	$	$	$ 148,007
Restricted Cash and Cash Equivalents	13,722,638			261,526	1,641,366	527,010	16,152,540
Investments	3,043,646						3,043,646
Receivables							
Due From Other Governments	1,590,873	57,721	71,464				1,720,058
Due From Other Funds	696,706				64,847	892,718	1,654,271
Other Receivables	842,930		523,188				1,366,118
Inventory		22,260					22,260
Other Assets	1,413						1,413
Total Assets	$ 20,000,487	$ 104,595	$ 615,764	$ 261,526	$ 1,706,213	$ 1,419,728	$ 24,108,313
Liabilities							
Payables							
Accounts Payable	$	$	$ 185	$	$	$	$ 185
Accrued Liabilities	207,618	3,484	744				211,846
Due To							
Other Governments		439					439
Other Funds	618,231	67,241	614,835			353,964	1,654,271
Teachers' Retirement System	1,332,729						1,332,729
Employees' Retirement System	134,772						134,772
Accrued Interest Payable	102,570						102,570
Short-Term Notes Payable							
Bond Anticipation Note						7,446,347	7,446,347
Overpayments and Collections in Advance		10,316					10,316
Total Liabilities	2,395,920	81,480	615,764			7,800,311	10,893,475
Fund Balance							
Nonspendable		22,260					22,260
Restricted	13,722,638			261,526	1,706,213	977,844	16,668,221
Assigned	2,311,153	855				165,364	2,477,372
Unassigned (Deficit)	1,570,776					(7,523,791)	(5,953,015)
Total Fund Balance (Deficit)	17,604,567	23,115		261,526	1,706,213	(6,380,583)	13,214,838
Total Liabilities and Fund Balance	$ 20,000,487	$ 104,595	$ 615,764	$ 261,526	$ 1,706,213	$ 1,419,728	$ 24,108,313

The Accompanying Notes are an Integral Part of These Financial Statements.

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE DISTRICT-WIDE NET POSITION
June 30, 2025

Total Governmental Fund Balances		$ 13,214,838
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The cost of building, leasing, and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.		
Original Cost of Right to Use Leased Asset	2,541,547	
Accumulated Amortization	(1,746,129)	
Original Cost of Capital Assets	70,423,552	
Accumulated Depreciation	(21,609,708)	49,609,262
Proportionate share of long-term asset and/or liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the funds.		
Net Pension Asset - Proportionate Share	1,775,694	
Deferred Outflows - Pensions	5,083,438	
Net Pension Liability - Proportionate Share	(1,416,999)	
Deferred Inflows - Pensions	(2,353,948)	3,088,185
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Retainage Payable	(165,364)	
Bonds Payable	(10,160,000)	
Premium on Bond	(758,105)	
Energy Performance Contract Payable	(967,830)	
Accrued Interest on Bonds Payable	(19,892)	
Deferred Charges on Serial Bonds	8,921	
Other Postemployment Benefits	(33,945,323)	
Deferred Outflows - Other Postemployment Benefits	5,218,210	
Deferred Inflows - Other Postemployment Benefits	(34,484,307)	
Compensated Absences Payable	(3,397,678)	(78,671,368)
Total Net Position		$ (12,759,083)

The Accompanying Notes are an Integral Part of These Financial Statements.

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Revenues							
Real Property Taxes	$ 13,021,085	$	$	$	$	$	$ 13,021,085
Other Real Property Tax Items	1,642,398						1,642,398
Charges for Services	42,574						42,574
Use of Money and Property	963,569	6			117,494		1,081,069
Sale of Property and Compensation for Loss	3,336						3,336
Premiums on Obligations					10,514		10,514
Miscellaneous	1,288,067	8,949		131,312	8,378		1,436,706
State Aid	20,411,311	383,290	706,468				21,501,069
Federal Aid	80,492	433,541	1,109,131				1,623,164
School Lunch Sales		115,236					115,236
Total Revenues	37,452,832	941,022	1,815,599	131,312	136,386		40,477,151
Expenditures							
General Support	4,455,937					5,707,520	10,163,457
Instruction	19,001,617	291	1,813,713	69,517		883,097	21,768,235
Pupil Transportation	1,924,613		30,996			492,044	2,447,653
Food Service Program		905,903					905,903
Employee Benefits	9,091,624	36,029					9,127,653
Debt Service - Principal	2,318,033						2,318,033
Debt Service - Interest	499,734						499,734
Total Expenditures	37,291,558	942,223	1,844,709	69,517		7,082,661	47,230,668
Other Financing Sources (Uses)							
BANs Redeemed from Appropriations						355,528	355,528
Transfers from Other Funds	14,627		29,110			535,000	578,737
Transfers to Other Funds	(564,110)					(14,627)	(578,737)
Total Other Financing Sources (Uses)	(549,483)		29,110			875,901	355,528
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	(388,209)	(1,201)		61,795	136,386	(6,206,760)	(6,397,989)
Fund Balance (Deficit), Beginning of Year	17,992,776	24,316		199,731	1,569,827	(173,823)	19,612,827
Fund Balance (Deficit), End of Year	$ 17,604,567	$ 23,115	$	$ 261,526	$ 1,706,213	$ (6,380,583)	$ 13,214,838

The Accompanying Notes are an Integral Part of These Financial Statements.

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net Changes in Fund Balance - Total Governmental Funds		$ (6,397,989)
Capital Outlays to lease, purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation or amortization expenses in the Statement of Activities. This is the amount by which capital outlays and lease asset additions exceeded depreciation and amortization expense exceeded in the period.		
Right to Use Leased Asset Additions	390,186	
Amortization Expense	(399,404)	
Depreciation Expense	(1,277,634)	
Loss on Disposal	(20,597)	
Increase in Retainage Payable	(165,364)	
Capital Outlays	7,107,454	5,634,641
Notes payable and bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which principal payments on long term debt exceeded debt proceeds during the period.		
Principal Payments on Bonds and Energy Performance Contract	1,962,505	
Amortization of Premium on Bond	147,504	2,110,009
Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Amortization of Deferred Outflows from Advance Refunding of Debt	(8,922)	
Change in Accrued Interest on Serial Bonds	3,124	
Change in Other Postemployment Benefits (including Deferred Outflows and Inflows)	2,637,116	
Change in Pension Expense	360,808	
Change in Compensated Absences	(48,516)	2,943,610
Change in Net Position Governmental Activities		$ 4,290,271

The Accompanying Notes are an Integral Part of These Financial Statements.

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	Custodial
Assets	
Cash and Cash Equivalents - Restricted	$ 91,029
Net Position	
Restricted for Extraclassroom Activities	$ 91,029

The Accompanying Notes are an Integral Part of These Financial Statements.

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2025

	Custodial
Additions	
Charges for Services, Sale of Property, and Miscellaneous	$ 216,300
Taxes Collected for Other Governments	60,000
Total Additions	276,300
Deductions	
Club Activities	205,060
Taxes Distributed to Other Governments	60,000
Total Deductions	265,060
Change in Net Position	11,240
Net Position, Beginning of Year	79,789
Net Position, End of Year	$ 91,029

The Accompanying Notes are an Integral Part of These Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Holland Patent Central School District (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies utilized by the School District are described below:

Reporting Entity

The 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 consisting of five members. The President of the Board 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. Board members have 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 GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying basic 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 a brief description of certain entities included in the School District's reporting entity.

(a) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The School District accounts for assets held as an agent for various student organizations in a Fiduciary Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the School District's administrative offices.

Joint Venture

The School District is a component district in the Oneida-Herkimer-Madison Board of Cooperative Educational 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 Section 1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the New York State General Municipal Law.

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

Basis of Presentation

(a) 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, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities presents a comparison between direct expenses and program revenues 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, such as employee benefits are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

(b) Fund Financial Statements

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

General Fund: This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

Special Revenue Funds:

Special Aid Fund: This fund accounts for and reports the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.

School Lunch Fund: This fund is used to account for and report transactions of the School District's lunch and breakfast programs.

Miscellaneous Special Revenue Fund: This fund is used to account for and report transactions of the School District's scholarship funds. The District has both custody and administrative control over the various scholarships. Established criteria govern the use of the funds and members of the School District or representatives of the donors may serve on committees to determine who benefits.

Debt Service Fund: This fund accounts for and reports financial resources that are restricted to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated.

Capital Projects Fund: This fund is used to account for and report financial resources that are restricted or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

(c) Fiduciary Funds

This fund is used to account for and report fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-Wide financial statements, because their resources do not belong to the School District and are not available to be used. There is one class of fiduciary funds:

Custodial Funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as agent for various student groups and tax collections for the independent library within the District.

Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange 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, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, other postemployment benefit obligations, 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.

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 revenues and expenses 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, other postemployment benefit obligations, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien on September 1. Taxes are collected during the period September 1 to October 31. The County of Oneida subsequently enforces uncollected real property taxes. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

Receivables

Receivables 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.

Investments

Investments held by the School District are stated at fair value. Changes in the fair value of the investments and interest are reported as investment income, displayed in use of money and property revenue.

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 revenues to provide financing or other services.

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in Note 8 to the financial statements.

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 donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. A reserve for inventory has been recognized to indicate that this does not constitute available spendable resources.

Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the 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.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 2, 2002. For assets acquired prior to July 2, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received. The School District uses capitalization thresholds of $1,000 for machinery, equipment, vehicles, land, and building improvements. Depreciation methods and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	Lives	Method
Furniture, Equipment, and Vehicles	5-15 Years	Straight Line
Buildings and Improvements	50 Years	Straight Line
Land Improvements	20 Years	Straight Line

Right to Use Leased Assets

The School District has recorded right to use lease assets as a result of implementing GASB No. 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease, which range from 3-5 years.

Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise 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 revenues is removed and revenues are recorded.

Deferred Outflow of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. First is the deferred charge on refunding of debt reported in the District-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions not included in pension expense. The third item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience and changes in assumptions during the year.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualifies for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset and liability and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

Compensated Absences

In accordance with GASB, a liability is recognized in the district-wide financial statements for vacation, sick leave, and other compensated absences when the benefit is earned by the employee, and it is more likely than not that the leave will be used or paid. The compensated absences liability is measured using the pay rates in effect at year-end and includes salary-related payments such as applicable employer payroll taxes.

In the funds statements, a liability is reported only for amounts that have natured-typically when a payment is due upon resignation, retirement, or other termination-based on expendable and available financial resources.

Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting.

Short-Term Debt

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

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

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 associated legal requirements.

Equity Classifications

(a) District-wide Financial Statements

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

Net investment in capital assets – consists of net capital and right-to-use assets (cost less accumulated depreciation and amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets.

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

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

(b) Fund Statements

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the inventories in the school lunch fund.

Restricted Resources

This category 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. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted net assets are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

The School District has established the following restricted fund balances:

- ***Reserve for Workers' Compensation*** - This reserve is used to accumulate funds for the purpose of paying for compensation benefits and other expenditures authorized under Article 2 of the New York State Workers' Compensation Law, and for payment of expenditures of administering this self-insurance program. Within 60 days after the end of any fiscal year, excess reserve amounts may be either transferred to another reserve or applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund.

- ***Unemployment Insurance Reserve*** **-** According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund.
- ***Reserve for Employee Benefits Accrued Liability*** **-** According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund.
- ***Retirement Contribution Reserve*** **-** The Retirement Contribution Reserve (GML §6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to New York State Teachers' Retirement System. During a fiscal year, a Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law 6-r.
- ***Insurance Reserve*** **-** Insurance reserve (GML §6-n) 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 of 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.
- ***Reserve for Tax Certiorari*** **–** Tax Certiorari Reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed that 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 deposit of these monies. The reserve is accounted for in the General Fund.
- ***Reserve for Repairs*** **-** This reserve is used to accumulate funds through voter approval to finance future costs of major repairs to capital improvements or equipment. Expenditures from this reserve may be made only after a public hearing has been held. In an emergency, expenditures may be made from the reserve fund without a public hearing with approval of two-thirds of the Board of Education. The emergency expenditure must be repaid within the next two succeeding fiscal years. The reserve is accounted for in the general fund.
- ***Capital Reserve*** **-** The Capital Reserve 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 people at any special or annual meeting. Such authorization is further required for payments from the capital reserve. The form of 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 Section 3651 of Education Law. This reserve is accounted for in the General Fund.
    - In May 2020, the Board and voters established a capital reserve fund to reserve up to $9,839,000 for the purpose of capital improvements. The reserve was established with a probable term of ten years. The fund can be used to offset the local share of future capital project work. This proposition only establishes the capital reserve fund and does not obligate the district to fund it at any specific level at any time. The district will determine the level at which it is funded based on current and future financial conditions. As of June 30, 2025, the District has funded $5,911,388 into this reserve.

- ***Reserve for Endowments and Scholarships*** **-** This reserve is used to account for various endowment and scholarship awards. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

- ***Debt Service*** **-** Used to account for the accumulation of resources and that are restricted to pay debt service. The fund includes all unused debt proceeds and interest and earnings on temporary investment of debt proceeds. This reserve is accounted for in the debt service fund.

- ***Capital Projects Fund*** **-** This fund is used to account for and report the financial resources that are restricted for acquisition, construction or major repair of capital facilities.

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School District has provided otherwise in its commitment or assignment actions.

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

- ***Assigned*** **-** Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official such as the District's purchasing agent to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than the capital projects fund, are classified as assigned fund balance. The amount appropriated for the subsequent year's budget of the general fund is also classified as assigned fund balance in the general fund.

- ***Unassigned*** – Includes all other fund net assets that do not meet the definition of the above classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

(c) Restricted for Extraclassroom Activities

This reserve is used to account for various student groups or extraclassroom activities. This reserve is accounted for in the Custodial Fund.

(d) Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School District and then determine the order of application of expenditures to which the fund balance classification will be charged.

Implementation of New Accounting Standards

Effective for the fiscal year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard establishes recognition and measurement guidance for all types of compensated absences, including vacation leave, sick leave, personal leave, and other paid time off. Under GASB 101, a liability is recognized for compensated absences when earned by employees, provided the leave is attributable to services already rendered and is more likely than not to be used or paid.

Prior to the implementation of GASB 101, the District recognized compensated absences liabilities based primarily on vested amounts or payments due at termination. GASB 101 requires the recognition of these liabilities earlier, based on the accrual of leave and historical usage patterns, resulting in a change in the timing and methodology of liability recognition.

The District applied the provisions of GASB 101 prospectively as of July 1, 2024. As a result of the implementation, compensated absences liabilities were remeasured, and a restatement of beginning net position (deficit) was made to reflect the cumulative effect of applying the standard. The impact of this restatement is disclosed in Note 18.

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. This standard is effective for fiscal years beginning after June 15, 2024.

Future Changes in Accounting Standards

GASB Statement No. 103, *Financial Reporting Model Improvements,* effective for the year ending June 30, 2026.
GASB Statement No. 104, *Disclosure of Certain Capital Assets,* effective for the year ending June 30, 2026.

The District will evaluate the impact these pronouncement may have on its financial statements and will implement them as applicable and when material.

2. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

Total Fund Balances of Governmental Funds Compared To Net Position of Governmental Activities

Total fund balances of the School District's governmental funds differs 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 Sheet.

Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of six broad categories.

(a) Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

(b) 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 or lease of capital items in the governmental fund statements and depreciation and amortization expense on those items as recorded in the Statement of Activities.

(c) 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.

(d) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balance based on the requirements of New York State. These costs have been allocated based on total salary for each function in the Statement of Activities.

(e) Pension Differences

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

(f) OPEB Differences

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

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which legal (appropriated) budgets are adopted.

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

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

Encumbrances

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

NYS Real Property Tax Cap

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments including school districts can levy. The tax levy for the 2024-2025 school year was in compliance with the NYS Tax Cap Limit.

General Fund – Statutory Unassigned Fund Balance Limit

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Non-spendable 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. At June 30, 2025, the School District's unassigned fund balance was 3.74% of the 2025-2026 budget.

4. CUSTODIAL AND CONCENTRATION OF CREDIT RISK

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

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

As of June 30, 2025, with the School District's bank balances totaling $21,287,021 were fully collateralized by securities held by an agent of the pledging financial institution in the School District's name, FDIC insurance, and NCUA insurance; and were not exposed to custodial credit risk.

5. INVESTMENTS

The District participates in the New York Liquid Asset Fund (NYLAF), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2025, the District held $3,043,646 in these investments consisting of various investments in securities issued by the United States and its agencies. The following valuation inputs are included as investments:

Total investments of the cooperative as of year-end are $1,412,451,541, which consisted of $112,996,123 in repurchase agreements, $1,002,840,594 in U. S. Treasury Securities and $296,614,824 in U.S. Government Guaranteed Securities.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instructions could result in a different fair value measurement at the reporting date.

Investments in Securities at Fair Value	Level 1	Level 2	Level 3	Total
General Fund	$ 3,043,646	$	$	$ 3,043,646

The above amounts represent the fair value of the investment pool shares the District invested in. For the year ended June 30, 2025, the portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) which were used in determining fair value is not applicable.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period. The portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

Risks and Uncertainties with Investments

The District invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amounts reported in the statement of net position.

6. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and investments of $13,722,638 in the General Fund represents the following:

Description	Amount
Workers' Compensation	$ 533,607
Unemployment Insurance	142,434
Employee Benefit Accrued Liability	1,491,408
Retirement Contribution - ERS	4,430,047
Retirement Contribution - TRS	1,001,698
Insurance	117,305
Captal Reserve	4,789,586
Tax Certiorari	1,213,588
Repairs	2,965
Total	$ 13,722,638

Restricted cash of $261,526 in the Miscellaneous Special Revenue Fund represents funds gifted to the school district for scholarships and awards.

Restricted cash of $1,641,366 in the Debt Service Fund represents cash restricted towards future debt service expenditures.

Restricted cash of $527,010 in the Capital Fund represents cash restricted towards the District's capital projects.

Restricted cash of $91,029 in the Fiduciary Custodial Fund represents the student activity cash balances at June 30, 2025.

7. CAPITAL AND RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2025, is as follows:

	Beginnning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 110,000	$	$	$ 110,000
Construction in Progress	10,153,621	6,590,617	338,744	16,405,494
Total	10,263,621	6,590,617	338,744	16,515,494
Capital Assets Being Depreciated				
Buildings and Improvements	46,201,212	340,496		46,541,708
Land Improvements	1,475,328			1,475,328
Furniture, Equipment and Vehicles	5,899,901	515,085	523,964	5,891,022
Total	53,576,441	855,581	523,964	53,908,058
Accumulated Depreciation				
Buildings and Improvements	15,690,663	800,660		16,491,323
Land Improvements	1,472,948	2,831		1,475,779
Furniture, Equipment and Vehicles	3,671,830	474,143	503,367	3,642,606
Total	20,835,441	1,277,634	503,367	21,609,708
Net Capital Assets Being Depreciated	32,741,000	(422,053)	20,597	32,298,350
Net Capital Assets	$ 43,004,621	$ 6,168,564	$ 359,341	$ 48,813,844

Depreciation expense is allocated to the following functions/programs:

Function/Program	
General Support	$ 224,294
Instruction	956,463
Transportation	96,877
Total Depreciation	$ 1,277,634

Right to use leased asset activity for the year ended June 30, 2025, is as follows:

	Beginnning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Equipment	$ 2,151,361	$ 390,186	$	$ 2,541,547
Accumulated Amortization				
Leased Equipment	1,346,725	399,404		1,746,129
Net Right to Use Leased Assets	$ 804,636	$ (9,218)	$	$ 795,418

Amortization expense of $399,404 is charged to instruction.

8. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General	$ 696,706	$ 618,231	$ 14,627	$ 564,110
School Lunch		67,241		
Special Aid		614,835	29,110	
Debt Service	64,847			
Capital Projects	892,718	353,964	535,000	14,627
Total Government Activities	$ 1,654,271	$ 1,654,271	$ 578,737	$ 578,737

- The District made a transfer of $29,110 from the General Fund to the Special Aid Fund, which represents the local share of tuition and transportation of the Summer School Program.
- The District transferred $14,627 from the Capital Fund to the General Fund of unspent funds on completed projects. In addition, the District transferred $535,000 from the General Fund to the Capital Projects Fund for the appropriation of the 2025 Capital Outlay project and the ongoing 2023 Capital Project.
- Interfund receivables and payables are typically liquidated within 1 year.

9. SHORT-TERM DEBT

The changes in short-term debt during the year are as follows:

Description	Maturity Date	Interest Rate	Beginning Balance	Issued	Deletions	Ending Balance
BAN	8/29/2025	4.00%	$	$ 1,246,347	$	$ 1,246,347
BAN	7/16/2025	3.75%		6,200,000		6,200,000
BAN	8/30/2024	4.50%	1,085,528		1,085,528	
			$ 1,085,528	$ 7,446,347	$ 1,085,528	$ 7,446,347

Interest on short term debt was as follows:

Total interest for the year was as follows:	
Interest Paid	$ 48,713
Less: Interest Accrued in the Prior Year	(40,550)
Plus: Interest Accrued in the Current Year	102,570
Total Interest Expense on Short-Term Debt	$ 110,733

10. LONG-TERM LIABILITIES

Long-term liability balances and activity are as follows:

Description	Beginning Balance	Restatement	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Bonds Payable						
Serial Bonds	$ 11,925,000	$	$	$ 1,765,000	$ 10,160,000	$ 1,030,000
Unamortized Bond Premium	905,609			147,504	758,105	147,504
Energy Performance Contract	1,165,335			197,505	967,830	203,665
Other Liabilities						
Other Postemployment Benefits	61,328,125			27,382,802	33,945,323	
Net Pension Liability	1,987,518		125,843	696,362	1,416,999	
Compensated Absences	730,700	2,618,462	48,516		3,397,678	613,800
Total Long Term Liabilities	$ 78,042,287	$ 2,618,462	$ 174,359	$ 30,189,173	$ 50,645,935	$ 1,994,969

The School District borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between the fund and District-wide statements. Interest associated with long-term debt is recorded as an expenditure when such amounts are due.

In the event of a default in the payment of the principal of and/or interest on the Bonds, the State Comptroller is required to withhold, under certain circumstances prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

Details relating to general obligation (serial) bonds and energy performance contract of the School District outstanding at June 30, 2025, are summarized as follows:

Payable From/Description	Original Issue	Amount	Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund					
Serial Bond	06/08/17	$ 4,215,000	10/01/32	3.0-5.0	$ 2,225,000
Serial Bond	06/17/19	$ 1,940,000	06/15/34	2.68	965,000
Serial Bond-Refunding	03/20/20	$ 3,280,000	06/15/26	1.5-5.0	80,000
Serial Bond	06/16/21	$ 10,349,000	06/15/37	2.00	6,890,000
Energy Performance Contract	10/31/15	$ 2,767,828	10/15/29	3.09	967,830
Total					$ 11,127,830

Principal and interest payments due on serial bonds is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 1,030,000	$ 293,500	$ 1,323,500
2027	990,000	261,750	1,251,750
2028	1,020,000	229,650	1,249,650
2029	1,050,000	196,350	1,246,350
2030	1,085,000	161,700	1,246,700
2031-2035	4,190,000	351,800	4,541,800
2036-3037	795,000	19,500	814,500
Total	$ 10,160,000	$ 1,514,250	$ 11,674,250

Principal and interest payments due on the Energy Performance Contract are as follows:

For the Year Ending	Energy Performance Contract		
June 30,	Principal	Interest	Total
2026	$ 203,665	$ 28,391	$ 232,056
2027	210,017	22,038	232,055
2028	216,567	15,488	232,055
2029	223,322	8,733	232,055
2030	114,259	1,769	116,028
Total	$ 967,830	$ 76,419	$ 1,044,249

Lease Liability

The District has entered into agreements with the BOCES to lease certain equipment such as copiers and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87. For some agreements, the District has made lump sum payments at the beginning of the lease term and thus, there are right to use assets with a net book value of $795,418 at June 30, 2025 with no corresponding lease liability. These agreements were executed on various dates ranging from July 1, 2020 to June 30, 2025 and are for a term ranging 4-5 years.

Compensated Absences

Compensated Absences represents vacation and sick time that has been earned by the School District employees and is more likely than not to be used or paid as of June 30, 2025.

Serial Bond Unamortized Premium

The original issue premium on bonds has been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premium is being amortized using the straight-line method over the life of the bond. The current year amortization is $147,504 and is included as a reduction to interest expense on the Statement of Activities.

Unamortized Premium, 6/30/2024	$ 905,609
Less: Amount Recognized in Current Year	(147,504)
Unamortized Premium, 6/30/2025	$ 758,105

Deferred Charge on Refunding Debt

During 2020, the District issued $3,280,000 in general obligation bonds to advance refund $3,535,000 of outstanding 2010 serial bonds. The refunding resulted in a deferred loss of $53,531, which is classified as a deferred outflow of resources in accordance with GASB 63 and GASB 65. The deferred amount on the advance refunding of serial bonds is amortized on the District-wide financial statements using the straight-line method over the remaining time to maturity of the refunded bonds. The current year amortization is $8,922, and is included as interest expense on the District-wide financial statements.

Deferred Amounts from Refunding Debt, 6/30/2024	$	17,843
Less: Amount Amortized in Current Year		(8,922)
Deferred Amounts from Refunding Debt, 6/30/2025	$	8,921

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

Interest Paid	$	389,001
Less: Interest Accrued in the Prior Year		(23,016)
Plus: Amortization of Advance Refunding Charges		8,922
Less: Amortization of Bond Premium		(147,504)
Plus: Interest Accrued in the Current Year		19,892
Total Interest Expense on Long-Term Debt	$	247,295

Debt Limit

Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as State aid for building purposes. The Constitutional and statutory method for determining full valuation consist of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority. At June 30, 2025, the School District was in compliance with its statutory debt limit.

11. PENSION PLANS

A. New York State and Local Employees' Retirement System (ERS)

(a) Plan Description

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. 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 maintains records and accounts, and prepares financial statements using the accrual basis of accounting.

Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. 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.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but prior to April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012 must contribute at a specific percentage of earnings (between 3% and 6%) for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2025, were paid.

The required contributions for the current year and two preceding years were:

	Amount
2023	$ 371,878
2024	$ 411,632
2025	$ 494,048

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

At June 30, 2025, the School District reported a liability of $1,416,999 for its proportionate share of the net pension liability (asset). 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 an actuarial valuation as of that date. 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 .0082644 percent and .0087690 percent, respectively.

For the year ended June 30, 2025, the School District recognized a pension expense of $405,949. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 351,709	$ 16,590
Change of assumptions	59,426	
Net difference between projected and actual earnings on Pensions plan investments	111,174	
Changes in proportion and differences between contributions and proportionate share of contributions	197,609	48,475
Contributions subsequent to the measurement date	134,772	
Total	$ 854,690	$ 65,065

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		
2026	$	317,958
2027	$	407,343
2028	$	(92,748)
2029	$	22,300

(d) 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.

Significant actuarial assumptions used in the April 1, 2024 valuation was as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustment	1.50%
Salary scale	4.30%
Inflation rate	2.90%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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 returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 are summarized below.

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic equity	25.00%	3.54%
International equity	14.00%	6.57%
Private equity	15.00%	7.25%
Real estate	12.00%	4.95%
Opportunistic/ARS portfolio	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	4.00%	5.55%
Fixed Income	22.00%	2.00%
Cash	1.00%	0.25%
	100.00%	

The real rate of return is net of the long-term inflation assumption of 2.90%.

(e) Discount Rate

The discount rate used to calculate the total pension asset/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 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 asset/liability.

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate share of the net pension (asset) liability	$ 4,100,975	$ 1,416,999	$ (824,122)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in amount of $134,772 at June 30, 2025. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2025-2026 billing cycle and has been accrued as an expenditure in the current year.

B. New York State Teachers' Retirement System (TRS)

(a) Plan Description

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten-member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. For additional plan information, please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System.

However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The required employer contributions for the current year and two preceding years were:

	Amount
2023	$ 1,157,281
2024	$ 1,109,275
2025	$ 1,197,334

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

At June 30, 2025, the School District reported a net pension liability (asset) of ($1,775,694) for its proportionate share of the net pension liability (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, 2024, the School District's proportion was .059515 percent, which was a decrease of .001378 percent from its proportion measured as of June 30, 2023 of .060893 percent.

For the year ended June 30, 2025, the School District recognized a pension expense of $943,282. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,912,096	$
Changes of assumptions	1,062,225	178,676
Net difference between projected and actual earnings on pensions plan investments		1,972,947
Changes in proportion and differences between contributions and proportionate share of contributions	57,093	137,260
Contributions subsequent to the measurement date	1,197,334	
Total	$ 4,228,748	$ 2,288,883

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension asset/liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	$ (960,642)
2026	$ 2,153,490
2027	$ (372,324)
2028	$ (409,253)
2029	$ 236,039
Thereafter	$ 95,221

(d) Actuarial Assumptions

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

Significant actuarial assumptions used in the June 30, 2023 valuation were as follows:

Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.
Salary scale	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.3% compounded annually.
Inflation rate	2.4% compunded annually, net of pension plan investment expense, including inflation

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP 2021, applied on a generational basis. Active member mortality rates are based on plan member experience, with adjustments for mortality improvements base on Scale MP 2021.

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.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
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 securities	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 fixed income securities	1.0%	4.8%
Cash equivalents	1.0%	0.5%
	100.0%	

** Real rates of return are net pension plan investment expenses and long-term inflation expectations.*

(e) Discount Rate

The discount rate used to measure the pension liability (asset) 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 school 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 asset.

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

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

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate share of the net pension liability (asset)	$ 8,202,032	$ (1,775,694)	$ (10,167,228)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS in amount of $1,197,334 (excluding employees' share) in the General Fund at June 30, 2025. This amount represents contribution for the 2024-2025 fiscal year that will be made in 2025-2026 and has been accrued as an expenditure in the current year.

12. OTHER POSTEMPLOYMENT BENEFITS

(a) Plan Descriptions

The School District provides medical, dental, and life insurance to retirees and their covered dependents. The School District pays a portion of the cost for eligible retirees, covered spouses, and dependents. Currently, there are approximately 453 current and former employees participating in the School District's Other Postemployment Benefits (OPEB) plan. The benefits provided to employees upon retirement are based upon provisions in various contracts that the District has in place with different classifications of employees. All active employees who retire or are disabled directly from the School District and meet eligibility criteria can participate.

The Plan does not issue a stand-alone publicly available report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

(b) Benefits Provided

The benefits provided to active employees at retirement and eligibility requirements are summarized below:

Employee Group	Description of Benefits	Contributions	Required Service	Required Age
Superintendent	Mecial, Medicare Part B, Dental, Vision	Individual- 5% Family- 18% Surviving Spouse- 50%	None	55
All Active Employees hired prior to 3/1/2010	Mecial, Medicare Part B, Dental, Vision	Individual- 50% Family- 65% Surviving Spouse- 50%	None	55
All Active Employees hired prior on or after 3/1/2010	Mecial, Medicare Part B, Dental, Vision	Individual- 50% Family- 65% Surviving Spouse- 50%	8 years	55
Current Retirees	Mecial, Medicare Part B, Dental	Individual- 50% Family- 65% Surviving Spouse- 50%		

(c) Employees Covered by Benefit Terms

	Total
Inactive plan members or beneficiaries currently receiving benefits	223
Active plan members	236
Total	459

(d) Total OPEB Liability

The District's total OPEB liability of $33,945,323 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024.

(e) Changes in the Net OPEB Liability

Changes in the District's total OPEB liability were as follows:

	Total OPEB Liability
Balances, June 30, 2024	$ 61,328,125
Changes recognized for the year:	
Service cost	1,608,557
Interest	2,451,043
Effect of liability gains or losses	(23,471,451)
Effect of assumption changes or inputs	(6,821,550)
Benefit payments	(1,149,401)
Net changes	(27,382,802)
Balances, June 30, 2025	$ 33,945,323

(f) Sensitivity of the total OPEB liability to changes in the discount rate

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

	1% Decrease 4.20%	Current Assumption 5.20%	1% Increase 6.20%
Total OPEB liability as of June 30, 2025	$ 39,129,649	$ 33,945,323	$ 29,717,311

(g) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

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

	1% Decrease	Current Assumption	1% Increase
Total OPEB liability as of June 30, 2025	$ 28,964,709	$ 33,945,323	$ 40,259,483

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

(h) OPEB Credit and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB credit of $2,637,116. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ 21,651,575
Changes of assumptions	5,218,210	12,832,732
Total	$ 5,218,210	$ 34,484,307

Contributions subsequent to the measurement date will be recognized in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Amount
2026	$ (5,596,507)
2027	(6,089,256)
2028	(4,425,547)
2029	(3,770,300)
2030	(4,335,658)
Thereafter	(5,048,829)

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2024, with a June 30, 2025 measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Valuation Date	July 1, 2024
Measurement Date	June 30, 2025
Reporting Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal - Level Percent of Salary
Inflation rate	2.40%
Discount Rate	5.20%
Mortality	PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching positions, both generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

The discount rate changed from 3.93% to 5.20%, which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

13. FUND BALANCE

(a) The following is the disaggregation of the fund balance that is reported in summary on the governmental fund's Balance Sheet:

	General	School Lunch	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total
Nonspendable	$	$ 22,260	$	$	$	$ 22,260
Restricted						
Workers' Compensation	533,607					533,607
Unemployment Insurance	142,434					142,434
Employee Benefits						
Accrued Liability	1,491,408					1,491,408
Retirement Contribution						
ERS	4,430,047					4,430,047
TRS	1,001,698					1,001,698
Insurance	117,305					117,305
Tax Certiorari	1,213,588					1,213,588
Repairs	2,965					2,965
Capital	4,789,586					4,789,586
Debt Service				1,706,213		1,706,213
Reserve for Scholarships and Endowments			261,526			261,526
Capital Projects					977,844	977,844
Total Restricted	13,722,638		261,526	1,706,213	977,844	16,668,221
Assigned						
Food Service Program		855				855
Encumbrances	11,153					11,153
Retainage					165,364	165,364
Appropriated for Subsequent Year's Budget	2,300,000					2,300,000
Total Assigned	2,311,153	855			165,364	2,477,372
Unassigned (Deficit)	1,570,776				(7,523,791)	(5,953,015)
Total Fund Balance (Deficit)	$ 17,604,567	$ 23,115	$ 261,526	$ 1,706,213	$ (6,380,583)	$ 13,214,838

(b) The following is a summary of the change in general fund restricted funds during the year ended June 30, 2025:

Restricted Fund	Balance at 7/1/2024	Additions	Deductions	Balance at 6/30/2025
Workers Compensation	$ 509,796	$ 23,811	$	$ 533,607
Unemployment Insurance	136,079	6,355		142,434
Employee Benefit Accured Liability	1,482,151	69,226	59,969	1,491,408
Retirement Contribution				
ERS	4,719,425	200,334	489,712	4,430,047
TRS	957,000	44,698		1,001,698
Insurance	112,071	5,234		117,305
Tax Certiorari	1,158,558	55,030		1,213,588
Repairs	2,833	132		2,965
Capital	5,010,428	214,158	435,000	4,789,586
Total	$ 14,088,341	$ 618,978	$ 984,681	$ 13,722,638

14. CONTINGENCIES

Risk Financing and Related Insurance

(a) General Information

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

(b) Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

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

15. NET POSITION DEFICIT – DISTRICT WIDE

The District-wide net position had an unrestricted net position (deficit) at June 30, 2025 of $60,231,294 and a total net position deficit of $12,759,083. The deficit is primarily the result of GASB Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which requires the recognition of an unfunded liability of $33,945,323 at June 30, 2025. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

16. CAPITAL FUND DEFICIT

At June 30, 2025, the District reported a deficit fund balance of $6,380,583 in the Capital Fund. The deficit will be eliminated in the future once permanent financing is obtained.

17. TAX ABATEMENTS

The District is subject to tax abatements that are granted by the Oneida County Industrial Development Agency (OCIDA) and the Town of Trenton.

Article 18-A of the New York State Municipal Law, "New York Industrial Development Agency Act" was enacted to provide for the creation of Industrial Development Agencies (IDA's) to facilitate economic development in specific localities, and delineate their powers and status as public benefit corporation. The legislation established the power of New York IDA's, including the authority to grant tax abatements and enter into agreements to require payment in lieu of taxes. Each IDA must adopt and follow a tax exemption policy with input from the effected taxing jurisdictions, however once created the IDA can independently grant abatements in conformity with their policy.

The OCIDA and the Town enter into agreements to abate property tax for the purpose of increasing or retaining employment in the County. Property abatements may be partially offset by an agreement that requires payments in lieu of taxes. These agreements specify the annual amount to be remitted by the property owner and are allocated to the effected jurisdiction based on the proportion of taxes abated. The District has chosen to disclose information about its tax abatement by purpose.

Abatement agreements resulted in an approximate revenue impact to the District for the year ended June 30, 2025 as follows:

Purpose	Gross Tax Amounts	Payments in Lieu of Taxes	Net Revenue Reduction
Economic Development and Job Creation	$ 118,722	$ 108,975	$ 9,747

18. CUMULATIVE EFFECT OF IMPLEMENTING CHANGE IN ACCOUNTING PRINCIPLE

As the result of implementing GASB Statement No. 101, *Compensated Absences*, the District has restated the beginning net position in the Statement of Net Position as of July 1, 2024, to reflect the additional liability for compensated absences required by this implementation as follows:

	Government-Wide
Net Position (Deficit) Beginning of Year, As Previously Stated	$ (14,430,892)
Increase in Compensated Absences Liability as a result of GASB Statement No. 101 Implementation:	(2,618,462)
Net Position (Deficit) Beginning of Year, As Restated	$ (17,049,354)

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Final Budget Variance With Actual
Revenues				
Local Sources				
Real Property Taxes	$ 13,021,080	$ 13,021,080	$ 13,021,085	$ 5
STAR and Other Real Property Tax Items	1,640,820	1,640,820	1,642,398	1,578
Charges for Services	11,000	11,000	42,574	31,574
Use of Money and Property	128,645	128,645	963,569	834,924
Sale of Property and Compensation for Loss	1,000	1,000	137,546	136,546
Miscellaneous	1,125,589	1,125,589	1,153,857	28,268
State Aid	20,125,739	20,125,739	20,411,311	285,572
Federal Aid	25,095	25,095	80,492	55,397
Total Revenues	36,078,968	36,078,968	37,452,832	1,373,864
Other Financing Sources				
Transfers from Other Funds	2,050,765	2,050,765	14,627	(2,036,138)
Appropriated Fund Balance	2,327,944	2,327,944		(2,327,944)
Total Revenues and Other Financing Sources	$ 40,457,677	$ 40,457,677	37,467,459	$ (2,990,218)

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
Expenditures					
General Support					
Board of Education	$ 35,135	$ 38,680	11,258	$	$ 27,422
Central Administration	372,004	369,739	302,525		67,214
Finance	584,748	586,461	533,362		53,099
Central Services	3,636,846	4,114,390	3,042,784		1,071,606
Special Items	617,266	525,086	483,911		41,175
Total General Support	5,421,964	5,740,321	4,455,937		1,284,384
Instruction					
Instruction, Administration, and Improvement	970,885	970,885	902,500		68,385
Teaching - Regular School	10,652,268	10,734,894	10,550,318	300	184,276
Programs for Children With Special Needs	5,857,609	5,164,815	4,938,290		226,525
Occupational Education	578,760	780,864	780,864		
Instructional Media	420,357	468,358	347,708		120,650
Pupil Services	1,339,009	1,665,540	1,481,937	10,853	172,750
Total Instruction	19,818,888	19,785,356	19,001,617	11,153	772,586
Pupil Transportation	2,303,031	2,303,031	1,924,613		378,418
Employee Benefits	9,296,704	9,164,684	9,091,624		73,060
Debt Service - Principal	2,140,496	2,389,484	2,318,033		71,451
Debt Service - Interest	951,594	499,801	499,734		67
Total Expenditures	39,932,677	39,882,677	37,291,558	11,153	2,579,966
Other Financing Uses					
Transfers to Other Funds	525,000	575,000	564,110		10,890
Total Expenditures and Other Financing Uses	$ 40,457,677	$ 40,457,677	37,855,668	$ 11,153	$ 2,590,856
Net Change in Fund Balance			(388,209)		
Fund Balance - Beginning of Year			17,992,776		
Fund Balance - End of Year			$ 17,604,567		

Note to Required Supplementary Information:

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

The budget is 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.

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2025

Measurement Date	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018*
Total OPEB Liability								
Service cost	$ 1,608,557	$ 2,643,169	$ 2,180,596	$ 2,787,107	$ 2,617,944	$ 1,900,700	$ 2,112,937	$ 2,022,555
Interest on Total OPEB Liability	2,451,043	2,287,302	1,896,451	1,409,390	1,403,141	1,741,366	1,682,801	1,602,864
Change in assumptions and other inputs	(6,821,550)	(2,795,063)	6,483,100	(13,760,237)	3,510,747	10,662,200	(3,718,832)	
Demographic Gains or Losses	(23,471,451)		(326,889)		(4,544,122)		(5,035,733)	
Differences between expected and actual experience in the measurement of the total OPEB liability								155,805
Benefit payments	(1,149,401)	(1,645,138)	(1,560,169)	(1,460,028)	(1,336,224)	(1,229,051)	(1,111,293)	(1,301,406)
Net change in total OPEB Liability	(27,382,802)	490,270	8,673,089	(11,023,768)	1,651,486	13,075,215	(6,070,120)	2,479,818
Total OPEB Liability - Beginning	61,328,125	60,837,855	52,164,766	63,188,534	61,537,048	48,461,833	54,531,953	52,052,135
Total OPEB Liability - Ending	$ 33,945,323	$ 61,328,125	$ 60,837,855	$ 52,164,766	$ 63,188,534	$ 61,537,048	$ 48,461,833	$ 54,531,953
Covered payroll	$ 13,907,962	$ 13,141,716	$ 13,141,716	$ 12,139,576	$ 12,139,576	$ 11,828,480	$ 11,828,480	$ 11,797,898
Total OPEB Liability as a percentage of covered payroll	244.07%	466.67%	462.94%	429.71%	520.52%	520.24%	409.70%	462.22%

* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to Required Supplementary Information:

The District does not currently maintain assets in an OPEB trust.

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 12 to the financial statements.

Changes to Assumptions

The discount rate changed from 3.93% to 5.20%, which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Salary increases incluing inflation was 2.40% for both 2024 and 2025.

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
For the Year Ended June 30, 2025

ERS Pension Plan
Last 10 Fiscal Years Available

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 494,048	$ 411,632	$ 371,878	$ 520,339	$ 456,290	$ 449,983	$ 461,401	$ 457,612	$ 469,763	$ 465,975
Contributions in Relation to the Contractually Required Contribution	494,048	411,632	371,878	520,339	456,290	449,983	461,401	457,612	469,763	465,975
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 3,506,475	$ 3,490,502	$ 3,341,862	$ 3,299,218	$ 3,256,071	$ 3,204,810	$ 3,135,430	$ 3,034,176	$ 3,075,910	$ 3,033,632
Contributions as a Percentage of Covered-Employee Payroll	14.09%	11.79%	11.13%	15.77%	14.01%	14.04%	14.72%	15.08%	15.27%	15.36%

TRS Pension Plan
Last 10 Fiscal Years Available

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 1,197,334	$ 1,109,275	$ 1,157,281	$ 1,051,978	$ 939,324	$ 880,751	$ 881,054	$ 1,050,358	$ 1,144,315	$ 1,194,193
Contributions in Relation to the Contractually Required Contribution	1,197,334	1,109,275	1,157,281	1,051,978	939,324	880,751	881,054	1,050,358	1,144,315	1,194,193
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 11,843,066	$ 11,365,523	$ 11,246,657	$ 10,734,469	$ 9,856,485	$ 9,940,756	$ 8,296,177	$ 10,717,939	$ 9,763,780	$ 9,005,980
Contributions as a Percentage of Covered-Employee Payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

See Independent Auditor's Report.

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
For the Year Ended June 30, 2025

ERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/liability	0.0082644%	0.0087690%	0.0086416%	0.0085880%	0.0083414%	0.0084022%	0.0085364%	.0085622%	.0087381%	.0087788%
District's proportionate share of the net pension (asset) liability	$ 1,416,999	$ 1,291,156	$ 1,853,109	$ (702,031)	$ 8,306	$ 2,224,945	$ 604,828	$ 276,339	$ 821,052	$ 1,409,015
District's covered-employee payroll	$ 3,506,475	$ 3,490,502	$ 3,341,862	$ 3,299,218	$ 3,256,071	$ 3,204,810	$ 3,135,430	$ 3,034,176	$ 3,075,910	$ 3,033,632
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	40.41%	36.99%	55.45%	21.28%	0.26%	69.43%	19.29%	9.11%	26.69%	46.45%
Plan fiduciary net position as a percentage of total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

TRS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the net pension asset/liability	0.059515%	0.060893%	0.060594%	0.058071%	0.058568%	0.058078%	0.055193%	.056555%	.055925%	.057725%
District's proportionate share of the net pension (asset) liability	$ (1,775,694)	$ 696,362	$ 1,162,742	$ (10,063,127)	$ 1,618,377	$ (1,508,871)	$ (998,038)	$ (429,874)	$ 598,983	$ (5,995,744)
District's covered-employee payroll	$ 11,365,523	$ 11,246,657	$ 10,734,469	$ 9,856,485	$ 9,940,756	$ 8,296,177	$ 10,717,939	$ 9,763,780	$ 9,005,980	$ 8,671,295
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	-15.6%	6.2%	10.8%	-102.1%	16.3%	-18.2%	-9.3%	-4.4%	6.7%	-69.1%
Plan fiduciary net position as a percentage of total pension liability	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND REAL PROPERTY TAX LIMIT
For the Year Ended June 30, 2025

Change from Adopted Budget to Final Budget

Adopted Budget		$ 40,436,508
Add: Prior Year's Encumbrances		21,169
Original Budget		40,457,677
Final Budget		$ 40,457,677

Section 1318 of Real Property Tax Law Limit Calculation

2025-26 voter-approved expenditure budget		$ 42,007,335
Maximum allowed (4% of 2025-26 budget)		$ 1,680,293
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance:		
Assigned fund balance	2,311,153	
Unassigned fund balance	1,570,776	
Total unrestricted fund balance	3,881,929	
Less:		
Appropriated fund balance	2,300,000	
Tax reduction reserve		
Encumbrances included in assigned fund balance	11,153	
Total adjustments	2,311,153	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 1,570,776
Actual percentage		3.74%

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2025

			Expenditures				Methods of Financing					Fund Balance
	Original Authorization	Revised Authorization	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Federal and State Aid	Local Sources	Total	Interfund Transfer	(Deficit) June 30, 2025
PROJECT TITLE												
Capital Project #3	$ 9,900,000	$ 9,900,000	$ 8,961,156	$	$ 8,961,156	$ 938,844	$ 9,839,000	$	$	$ 9,839,000	$	$ 877,844
2023 Capital Project	18,850,000	18,850,000	999,054	6,445,284	7,444,338	11,405,662			1,196,068	1,196,068		(6,248,270)
2024 Emergency Project- Pool	60,000	60,000	4,776	45,333	50,109	9,891			60,000	60,000	(9,891)	
2024 Appropriation	100,000	100,000	95,264		95,264	4,736			100,000	100,000	(4,736)	
2025 Appropriation	100,000	100,000		100,000	100,000				100,000	100,000		
2026 Appropriation	100,000	100,000				100,000			100,000	100,000		100,000
Buses	6,445,686	6,445,686	5,816,220	492,044	6,308,264	137,422	1,808,994		3,389,113	5,198,107		(1,110,157)
Totals	$ 35,555,686	$ 35,555,686	$ 15,876,470	$ 7,082,661	$ 22,959,131	$ 12,596,555	$ 11,647,994	$	$ 4,945,181	$ 16,593,175	$ (14,627)	$ (6,380,583)

See Independent Auditor's Report.

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
For the Year Ended June 30, 2025

Capital Assets, Net	$ 48,813,844
Right to use Lease Assets, Net	795,418
	49,609,262
Add:	
Unspent Proceeds	527,010
Deduct:	
Bond Anticipation Notes Payable	7,446,347
Short-Term Portion of Energy Performance Contract	203,665
Energy Performance Contract Payable	764,165
Short-Term Portion of Bonds Payable	1,030,000
Serial Bonds Payable	9,130,000
Premium on Bonds Payable	758,105
Net Deductions	19,332,282
Net Investment in Capital Assets	$ 30,803,990

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

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*

Board of Education
Holland Patent Central School District

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Holland Patent Central School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Holland Patent Central School District's basic financial statements, and have issued our report thereon dated October 8, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Holland Patent Central 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 Holland Patent Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Holland Patent Central School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo & Co., LLP

October 8, 2025

Rome, New York