

**BELFAST CENTRAL  
SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**Table of Contents**

June 30, 2025

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Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Statement of Net Position

Statement of Activities

Balance Sheet – Governmental Funds

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP) and Actual – General Fund

Statements of Fiduciary Net Position and Changes in Fiduciary Net Position – Custodial Fund

Notes to Financial Statements

Required Supplementary Information (Unaudited)

Schedule of the District's Proportionate Share of the Net Pension Position – New York State Teachers' Retirement System and Related Notes

Schedule of District Contributions – New York State Teachers' Retirement System

Schedule of the District's Proportionate Share of the Net Pension Position – New York State and Local Employees' Retirement System and Related Notes

Schedule of District Contributions – New York State and Local Employees' Retirement System

Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability and Related Ratios and Notes

Supplementary Information

Schedule of Change from Original to Final Budget and Calculation of Unrestricted Fund Balance Limit – General Fund

Schedule of Capital Project Expenditures

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

## INDEPENDENT AUDITORS' REPORT

The Board of Education  
Belfast Central School District

### Report on the Audit of the Financial Statements

#### *Opinions*

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the District as of June 30, 2025, and the respective changes in financial position and budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

GAAP requires that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the 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 (GASB), who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the 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 14, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Lynden & McCormick, LLP". The signature is written in a cursive, flowing style.

October 14, 2025

**Management's Discussion and Analysis (unaudited)**

June 30, 2025

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**Introduction**

Management's Discussion and Analysis (MD&A) of Belfast Central School District (the District) provides an overview of the District's financial activities and performance for the year ended June 30, 2025. The information contained in the MD&A should be considered in conjunction with the information presented in the District's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to obtaining a full understanding of the District's financial position and results of operations. The District's financial statements have the following components: (1) government-wide financial statements; (2) governmental fund financial statements; (3) reconciliations between the government-wide and governmental fund financial statements; (4) fiduciary fund financial statements; (5) notes to the financial statements; and (6) supplementary information.

In 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. This statement clarifies what is considered unused leave balances for employees. Under this statement, compensated absences are recognized as liabilities on the government-wide financial statements for leave that has not been used and leave that has been used but not yet paid or settled.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the District's assets and deferred outflows of resources less liabilities and deferred inflows of resources, with the difference reported as net position. The statement of activities presents information showing how the District's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the District as a whole. All of the activities of the District are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District maintains a custodial fund for student activity accounts. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs.

The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide, governmental fund, and fiduciary fund financial statements.

Supplementary information further explains and supports the financial statements and includes information required by generally accepted accounting principles, the New York State Education Department, and the Federal government.

<b>Condensed Statement of Net Position</b>	<b>2025</b>	2024	Change	
			\$	%
Current and other assets	\$ 4,276,000	\$ 5,092,000	\$ (816,000)	(16.0%)
Capital assets	<b>25,842,000</b>	23,326,000	2,516,000	10.8%
<b>Total assets</b>	<b>30,118,000</b>	28,418,000	1,700,000	6.0%
<b>Deferred outflows of resources</b>	<b>1,939,000</b>	2,068,000	(129,000)	(6.2%)
Long-term liabilities	<b>9,364,000</b>	10,165,000	(801,000)	(7.9%)
Other liabilities	<b>6,446,000</b>	4,318,000	2,128,000	49.3%
<b>Total liabilities</b>	<b>15,810,000</b>	14,483,000	1,327,000	9.2%
<b>Deferred inflows of resources</b>	<b>745,000</b>	505,000	240,000	47.5%
<b>Net position</b>				
Net investment in capital assets	<b>13,715,000</b>	13,158,000	557,000	4.2%
Restricted	<b>2,394,000</b>	2,106,000	288,000	13.7%
Unrestricted	<b>(607,000)</b>	234,000	(841,000)	(359.4%)
<b>Total net position</b>	<b>\$ 15,502,000</b>	\$ 15,498,000	\$ 4,000	0.0%

Net position amounted to \$15,502,000 and \$15,498,000 at June 30, 2025 and 2024, respectively. The largest portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment, less the related debt used to acquire or lease those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The District's net position includes resources that are subject to external restrictions on how they may be used, which include reserve accounts set aside for specific purposes governed by laws and regulations. These consist of the capital reserve, which is dedicated for future renovations and vehicles as approved by District voters; the retirement contribution reserve, which can be used to fund required District contributions to the New York State Teachers' Retirement System (TRS) and New York State and Local Employees' Retirement System (ERS); and an employee benefit accrued liability reserve, which is restricted to pay for future accumulated vacation and sick pay of current employees. Other restricted resources include debt service, repair, worker's compensation, and unemployment insurance reserves, amounts restricted for scholarships to students, and the District's proportionate share of the TRS net pension asset.

Total assets increased by \$1,700,000 (\$4,262,000 or 17.6% increase in 2024). Current and other assets decreased \$816,000 primarily as a result of spending on the District's capital project, offset by the recognition of a net pension asset from the District's proportionate share of the TRS net pension position. In 2024, the District recognized a TRS net pension liability of \$191,000. Capital assets increased by \$2,516,000 (\$1,587,000 or 7.3% increase in 2024) due to additions exceeding depreciation expense, amortization expense, and disposals.

Total liabilities increased \$1,327,000 (\$1,698,000 or 13.3% increase in 2024). Long-term liabilities decreased \$801,000 (decrease of \$1,596,000 or 13.6% in 2024) due to \$900,000 of principal payments. Other liabilities increased \$2,128,000 (\$3,294,000 or 321.7% increase in 2024) primarily due to the issuance of bond anticipation notes of \$5,288,000 (\$3,402,000 at June 30, 2024).

Changes in deferred outflows and deferred inflows of resources include changes in pension and OPEB activity. Deferred outflows and deferred inflows of resources include contributions required to be paid by the District after the measurement date and also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions.

<b>Condensed Statement of Activities</b>	<b>2025</b>	2024	Change	%
	\$	\$	\$	%
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 154,000	\$ 24,000	\$ 130,000	541.7%
Operating and capital grants and contributions	1,249,000	2,857,000	(1,608,000)	(56.3%)
General revenues				
Property taxes	2,188,000	2,034,000	154,000	7.6%
State aid	9,351,000	9,841,000	(490,000)	(5.0%)
Other	216,000	215,000	1,000	0.5%
<b>Total revenues</b>	<b>13,158,000</b>	14,971,000	(1,813,000)	(12.1%)
<b>Expenses</b>				
Instruction	8,497,000	9,255,000	(758,000)	(8.2%)
Support services				
General support	2,645,000	1,992,000	653,000	32.8%
Pupil transportation	881,000	870,000	11,000	1.3%
Food service	486,000	467,000	19,000	4.1%
Community service	163,000	80,000	83,000	103.8%
Interest	482,000	417,000	65,000	15.6%
<b>Total expenses</b>	<b>13,154,000</b>	13,081,000	73,000	0.6%
Change in net position	4,000	1,890,000	(1,886,000)	(99.8%)
Net position – beginning	15,498,000	13,608,000	1,890,000	13.9%
<b>Net position – ending</b>	<b>\$ 15,502,000</b>	\$ 15,498,000	\$ 4,000	0.0%

District revenues decreased by \$1,813,000 in 2025 (\$2,381,000 or 18.9% increase in 2024). State aid decreased \$490,000 (increase of \$1,303,000 or 15.3% in 2024) primarily due to decreases in building aid. Operating and capital grants and contributions decreased \$1,608,000 (\$1,031,000 or 56.5% increase in 2024) primarily due to a decrease in Education Stabilization Fund revenue of \$1,149,000 and Emergency Connectivity Funds revenue of \$120,000.

Employee wages and benefits are allocated between instruction and general support functions. Total expenses increased \$73,000 in 2025 (\$909,000 or 7.5% increase in 2024) with the significant variances as follows: increases in employee wages of \$202,000, health insurance of \$292,000, and additional interest expense of \$65,000 related to additional bond anticipation notes issued in 2024, offset by a decrease in pension expense of \$388,000.

### Financial Analysis of the District's Funds

Total fund balances for the governmental funds decreased from \$888,000 to a deficit of \$2,436,000 as further described below:

- Total fund basis revenues decreased \$1,836,000 or 12.3% (\$2,393,000 or 19.0% increase in 2024) due to decreases in State aid and federal grants as discussed above. Total fund basis expenditures increased \$999,000 or 6.4% (\$2,396,000 or 18.3% increase in 2024) due to increases in capital outlay in addition to employee wages and benefits discussed above.
- The general fund experienced a net decrease of \$293,000 (\$1,116,000 increase in 2024) for the following reasons:
  - Revenues decreased \$257,000 due to the previously mentioned decreases in State aid.
  - Expenses increased \$1,152,000 due to increases in salaries of \$316,000, health insurance of \$351,000, and bus purchases of \$318,000.
- The capital projects fund experienced a decrease of \$2,932,000 (\$1,693,000 decrease in 2024) due to expenditures of \$3,070,000.

**General Fund Budgetary Highlights**

The final general fund revenue budget was \$12,272,000, with actual revenues amounting to \$11,794,000, an unfavorable difference of \$478,000. Actual expenditures and carryover encumbrances were less than the final budget by \$510,000 or 4.0%. The difference is attributable to many factors and many unknown items at the time the budget is prepared. The District generated significant positive variances in teaching – regular school and employee benefits.

**Capital Assets**

	<b>2025</b>	2024
Land	\$ 57,000	\$ 57,000
Buildings and improvements	<b>28,587,000</b>	28,587,000
Equipment and vehicles	<b>3,710,000</b>	3,618,000
Construction in progress	<b>4,899,000</b>	1,887,000
	<b>37,253,000</b>	34,149,000
Accumulated depreciation	<b>(11,765,000)</b>	(11,112,000)
	<b>25,488,000</b>	23,037,000
Right-to-use leased equipment, net	<b>354,000</b>	289,000
	<b>\$ 25,842,000</b>	\$ 23,326,000

Current year additions of \$3,589,000 were offset by depreciation and amortization expense and disposals of \$1,073,000.

**Debt**

At June 30, 2025, the District had \$6,280,000 in debt outstanding, with \$485,000 due within one year (\$7,180,000 outstanding at June 30, 2024). Outstanding compensated absences payable were \$597,000 with \$170,000 expected to be paid or used within one year (\$485,000 outstanding at June 30, 2024).

Additional information on the District’s long-term liabilities can be found in the notes to the financial statements.

**Current Financial Issues and Concerns**

School districts in New York State are impacted by the political pressures imposed on elected officials in funding of education. Year to year changes in funding levels and State aid formulas complicate this process.

**Contacting the District’s Financial Management**

This financial report is designed to provide District residents, taxpayers, parents, students, investors, and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Keegan Harrington, Business Manager, Belfast Central School District, 1 King Street, Belfast, New York 14711.

BELFAST CENTRAL SCHOOL DISTRICT

**Statement of Net Position**

June 30, 2025

(With comparative totals as of June 30, 2024)

	2025	2024
<b>Assets</b>		
Cash	\$ 2,795,744	\$ 4,130,820
State and federal aid receivable	959,355	947,747
Inventory	18,237	13,405
Due from fiduciary fund	668	-
Net pension asset	502,315	-
Capital assets (Note 4)	37,886,022	34,679,419
Accumulated depreciation and amortization	(12,044,011)	(11,352,990)
<b>Total assets</b>	<b>30,118,330</b>	<b>28,418,401</b>
<b>Deferred Outflows of Resources</b>		
Defeasance loss	144,653	172,662
Deferred outflows of resources related to pensions	1,513,127	1,777,405
Deferred outflows of resources related to OPEB	280,872	117,646
<b>Total deferred outflows of resources</b>	<b>1,938,652</b>	<b>2,067,713</b>
<b>Liabilities</b>		
Accounts payable	461,570	383,530
Accrued liabilities	246,771	117,304
Due to retirement systems	449,383	415,700
Bond anticipation notes	5,287,995	3,402,000
Long-term liabilities		
Due within one year:		
Energy performance contract	35,000	35,000
Bonds	450,000	865,000
Compensated absences	170,000	26,000
Due beyond one year:		
Energy performance contract	235,000	270,000
Bonds and related premiums	6,486,577	7,038,360
Compensated absences	427,000	459,000
Net pension liability	588,169	733,206
Total OPEB liability	972,773	737,987
<b>Total liabilities</b>	<b>15,810,238</b>	<b>14,483,087</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources related to pensions	671,034	405,551
Deferred inflows of resources related to OPEB	73,581	99,595
<b>Total deferred inflows of resources</b>	<b>744,615</b>	<b>505,146</b>
<b>Net Position</b>		
Net investment in capital assets	13,714,980	13,157,922
Restricted	2,393,845	2,106,065
Unrestricted	(606,696)	233,894
<b>Total net position</b>	<b>\$ 15,502,129</b>	<b>\$ 15,497,881</b>

See accompanying notes.

BELFAST CENTRAL SCHOOL DISTRICT

**Statement of Activities**

For the year ended June 30, 2025  
 (With summarized comparative totals for June 30, 2024)

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions	2025	2024
<b>Governmental activities</b>					
General support	\$ 2,644,753	\$ -	\$ -	\$ (2,644,753)	\$ (1,991,912)
Instruction	8,497,209	128,066	869,349	(7,499,794)	(6,782,693)
Pupil transportation	881,087	-	-	(881,087)	(870,260)
Community service	162,796	-	3,035	(159,761)	(79,311)
Interest expense	482,652	-	-	(482,652)	(417,173)
Food service program	485,969	25,972	376,564	(83,433)	(58,178)
	<u>\$ 13,154,466</u>	<u>\$ 154,038</u>	<u>\$ 1,248,948</u>	<u>(11,751,480)</u>	<u>(10,199,527)</u>
<b>General revenues</b>					
				2,188,034	2,033,913
Real property taxes				216,349	214,973
Miscellaneous				9,351,345	9,840,904
State sources				<u>11,755,728</u>	<u>12,089,790</u>
<b>Total general revenues</b>					
				4,248	1,890,263
<b>Change in net position</b>					
Net position - beginning				15,497,881	13,607,618
<b>Net position - ending</b>				<u>\$ 15,502,129</u>	<u>\$ 15,497,881</u>

BELFAST CENTRAL SCHOOL DISTRICT

**Balance Sheet - Governmental Funds**

June 30, 2025

(With summarized comparative totals as of June 30, 2024)

	General	Special Aid	Capital Projects	Debt Service	Food Service	Public Library	Miscellaneous Special Revenue	Total Governmental Funds	
								2025	2024
<b>Assets</b>									
Cash	\$ 2,508,393	\$ 140	\$ 229,489	\$ 24,456	\$ 22,986	\$ -	\$ 10,280	\$ 2,795,744	\$ 4,130,820
State and federal aid receivable	381,681	546,685	-	-	30,989	-	-	959,355	947,747
Due from other funds, net	-	-	131,533	96,291	30,673	-	668	259,165	406,186
Inventory	-	-	-	-	18,237	-	-	18,237	13,405
<b>Total assets</b>	<b>\$ 2,890,074</b>	<b>\$ 546,825</b>	<b>\$ 361,022</b>	<b>\$ 120,747</b>	<b>\$ 102,885</b>	<b>\$ -</b>	<b>\$ 10,948</b>	<b>\$ 4,032,501</b>	<b>\$ 5,498,158</b>
<b>Liabilities</b>									
Accounts payable	\$ 116,529	\$ 206,843	\$ 138,134	\$ -	\$ 64	\$ -	\$ -	\$ 461,570	\$ 383,530
Accrued liabilities	8,558	-	-	-	2,213	-	-	10,771	2,304
Due to retirement systems	322,575	100,567	-	-	26,241	-	-	449,383	415,700
Due to other funds, net	19,082	239,415	-	-	-	-	-	258,497	406,186
Bond anticipation notes	-	-	5,287,995	-	-	-	-	5,287,995	3,402,000
<b>Total liabilities</b>	<b>466,744</b>	<b>546,825</b>	<b>5,426,129</b>	<b>-</b>	<b>28,518</b>	<b>-</b>	<b>-</b>	<b>6,468,216</b>	<b>4,609,720</b>
<b>Fund Balances</b>									
Nonspendable	-	-	-	-	18,237	-	-	18,237	13,405
Restricted	1,759,835	-	-	120,747	-	-	10,948	1,891,530	2,106,065
Assigned	185,073	-	-	-	56,130	-	-	241,203	400,156
Unassigned (deficit)	478,422	-	(5,065,107)	-	-	-	-	(4,586,685)	(1,631,188)
<b>Total fund balances (deficit)</b>	<b>2,423,330</b>	<b>-</b>	<b>(5,065,107)</b>	<b>120,747</b>	<b>74,367</b>	<b>-</b>	<b>10,948</b>	<b>(2,435,715)</b>	<b>888,438</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,890,074</b>	<b>\$ 546,825</b>	<b>\$ 361,022</b>	<b>\$ 120,747</b>	<b>\$ 102,885</b>	<b>\$ -</b>	<b>\$ 10,948</b>	<b>\$ 4,032,501</b>	<b>\$ 5,498,158</b>

See accompanying notes.

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position**

June 30, 2025

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**Total fund balances - governmental funds** \$ (2,435,715)

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

Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds. 25,842,011

The District's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide financial statements and include:

Net pension asset	502,315	
Deferred outflows of resources related to pensions	1,513,127	
Net pension liability	(588,169)	
Deferred inflows of resources related to pensions	<u>(671,034)</u>	756,239

Defeasance losses associated with bond refundings are recognized as deferred outflows of resources in the government-wide financial statements. 144,653

The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized on the government-wide financial statements and include:

Deferred outflows of resources related to OPEB	280,872	
Total OPEB liability	(972,773)	
Deferred inflows of resources related to OPEB	<u>(73,581)</u>	(765,482)

Certain liabilities are not due and payable currently and therefore are not reported as liabilities in the governmental funds. These liabilities are:

Accrued interest	(236,000)	
Energy performance contract	(270,000)	
Bonds and related premiums	(6,936,577)	
Compensated absences	<u>(597,000)</u>	<u>(8,039,577)</u>

**Net position - governmental activities** **\$ 15,502,129**

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BELFAST CENTRAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds**

For the year ended June 30, 2025

(With summarized comparative totals for June 30, 2024)

	General	Special Aid	Capital Projects	Debt Service	Food Service	Public Library	Miscellaneous Special Revenue	Total Governmental Funds	
								2025	2024
<b>Revenues</b>									
Real property taxes	\$ 1,809,464	\$ -	\$ -	\$ -	\$ -	\$ 87,928	\$ -	\$ 1,897,392	\$ 1,650,818
Real property tax items	290,642	-	-	-	-	-	-	290,642	383,095
Charges for services	128,066	-	-	-	-	-	-	128,066	2,893
Use of money and property	52,862	-	-	2,728	29	282	-	55,901	37,539
Sale of property and compensation for loss	3,823	-	-	-	-	-	-	3,823	1,781
Miscellaneous	141,730	79,762	-	-	-	3,035	3,299	227,826	188,052
State sources	9,349,852	382,974	-	-	83,572	1,493	-	9,817,891	10,714,440
Federal sources	17,303	389,310	-	-	292,992	-	-	699,605	1,982,713
Sales	-	-	-	-	25,972	-	-	25,972	21,572
<b>Total revenues</b>	<b>11,793,742</b>	<b>852,046</b>	<b>-</b>	<b>2,728</b>	<b>402,565</b>	<b>92,738</b>	<b>3,299</b>	<b>13,147,118</b>	<b>14,982,903</b>
<b>Expenditures</b>									
General support	2,113,096	-	-	-	159,875	-	-	2,272,971	2,059,186
Instruction	5,309,757	740,885	-	-	-	-	1,550	6,052,192	6,602,133
Pupil transportation	865,148	-	-	-	-	-	-	865,148	544,532
Community service	-	-	-	-	-	162,796	-	162,796	79,979
Employee benefits	2,315,522	111,161	-	-	144,434	-	-	2,571,117	2,221,290
Debt service									
Principal	900,000	-	-	-	-	-	-	900,000	1,280,000
Interest	435,426	-	-	-	-	-	-	435,426	399,701
Cost of sales	-	-	-	-	178,474	-	-	178,474	176,292
Capital outlay	-	-	3,070,026	-	3,186	-	-	3,073,212	2,149,071
<b>Total expenditures</b>	<b>11,938,949</b>	<b>852,046</b>	<b>3,070,026</b>	<b>-</b>	<b>485,969</b>	<b>162,796</b>	<b>1,550</b>	<b>16,511,336</b>	<b>15,512,184</b>
Excess revenues (expenditures)	(145,207)	-	(3,070,026)	2,728	(83,404)	(70,058)	1,749	(3,364,218)	(529,281)
<b>Other financing sources (uses)</b>									
BAN premiums	-	-	40,065	-	-	-	-	40,065	1,771
Operating transfers, net	(147,663)	-	97,663	-	50,000	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(147,663)</b>	<b>-</b>	<b>137,728</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>40,065</b>	<b>1,771</b>
Net change in fund balances	(292,870)	-	(2,932,298)	2,728	(33,404)	(70,058)	1,749	(3,324,153)	(527,510)
Fund balances (deficit) - beginning	2,716,200	-	(2,132,809)	118,019	107,771	70,058	9,199	888,438	1,415,948
<b>Fund balances (deficit) - ending</b>	<b>\$ 2,423,330</b>	<b>\$ -</b>	<b>\$ (5,065,107)</b>	<b>\$ 120,747</b>	<b>\$ 74,367</b>	<b>\$ -</b>	<b>\$ 10,948</b>	<b>\$ (2,435,715)</b>	<b>\$ 888,438</b>

See accompanying notes.

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities**

For the year ended June 30, 2025

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**Total net change in fund balances - governmental funds** \$ (3,324,153)

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

Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation and amortization expense and disposals. 2,515,582

Pension expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:

2025 TRS and ERS contributions	526,232	
2025 ERS accrued contribution	50,327	
2024 ERS accrued contribution	(32,383)	
2025 TRS pension expense	(275,158)	
2025 ERS pension expense	<u>(151,427)</u>	117,591

OPEB expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. (45,546)

Payments of long-term liabilities are reported as expenditures in the governmental funds and as a reduction of debt in the statement of net position. 900,000

In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds, these expenditures are reported when paid.

These differences are:

Amortization of defeasance loss	(28,009)	
Interest	(121,000)	
Amortization of bond premiums	101,783	
Compensated absences	<u>(112,000)</u>	(159,226)

**Change in net position - governmental activities** \$ 4,248

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BELFAST CENTRAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP) and Actual - General Fund**

For the year ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis)	Encumbrances	Variance with Final Budget Over/(Under)
	Original	Final			
<b>Revenues</b>					
Local sources					
Real property taxes	\$ 1,644,248	\$ 1,644,248	\$ 1,809,464		\$ 165,216
Real property tax items	274,822	274,822	290,642		15,820
Charges for services	40,945	40,945	128,066		87,121
Use of money and property	18,000	18,000	52,862		34,862
Sale of property and compensation for loss	1,550	1,550	3,823		2,273
Miscellaneous	211,434	211,434	141,730		(69,704)
State sources	9,522,058	9,522,058	9,349,852		(172,206)
Federal sources	558,659	558,659	17,303		(541,356)
<b>Total revenues</b>	<b>12,271,716</b>	<b>12,271,716</b>	<b>11,793,742</b>		<b>(477,974)</b>
<b>Expenditures</b>					
General support					
Board of education	24,902	24,902	21,217	1,828	(1,857)
Central administration	202,009	203,909	203,897	-	(12)
Finance	233,801	233,801	208,441	18,626	(6,734)
Staff	270,537	270,537	246,304	-	(24,233)
Central services	1,121,359	1,301,359	1,237,788	63,299	(272)
Special items	149,087	195,487	195,449	-	(38)
Instruction					
Instruction, administration, and improvement	277,157	277,157	250,556	49	(26,552)
Teaching - regular school	3,011,705	3,007,852	2,857,404	8,522	(141,926)
Programs for children with handicapping conditions	1,118,435	1,118,435	1,050,387	63,104	(4,944)
Occupational education	292,241	294,341	292,918	1,347	(76)
Teaching - special schools	25,888	29,117	29,068	-	(49)
Instructional media	406,159	406,159	325,477	366	(80,316)
Pupil services	573,863	575,787	503,947	4,197	(67,643)
Pupil transportation	786,240	886,340	865,148	21,122	(70)
Employee benefits	2,738,196	2,406,396	2,315,522	2,613	(88,261)
Debt service					
Principal	963,860	963,860	900,000	-	(63,860)
Interest	438,425	438,425	435,426	-	(2,999)
<b>Total expenditures</b>	<b>12,633,864</b>	<b>12,633,864</b>	<b>11,938,949</b>	<b>185,073</b>	<b>(509,842)</b>
Excess revenues (expenditures)	(362,148)	(362,148)	(145,207)	(185,073)	31,868
<b>Other financing sources (uses)</b>					
Operating transfers in	23,000	23,000	-		(23,000)
Operating transfers out	(150,000)	(150,000)	(147,663)		(2,337)
Appropriated reserves and carryover encumbrances	489,148	489,148	-		(489,148)
<b>Total other financing sources (uses)</b>	<b>362,148</b>	<b>362,148</b>	<b>(147,663)</b>		<b>(509,811)</b>
<b>Excess revenues (expenditures) and other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (292,870)</b>	<b>\$ (185,073)</b>	<b>\$ (477,943)</b>

See accompanying notes.

BELFAST CENTRAL SCHOOL DISTRICT

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**Statement of Fiduciary Net Position - Custodial Fund**

June 30, 2025

(With comparative totals as of June 30, 2024)

	2025	2024
<b>Assets</b>		
Cash	\$ 73,536	\$ 72,632
<b>Liabilities</b>		
Due to governmental funds	668	-
<b>Net position</b>		
Extraclassroom activity balances	\$ 72,868	\$ 72,632

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BELFAST CENTRAL SCHOOL DISTRICT

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**Statement of Changes in Fiduciary Net Position - Custodial Fund**

For the year ended June 30, 2025

(With comparative totals for June 30, 2024)

	2025	2024
<b>Additions</b>		
Student activity additions	\$ 97,837	\$ 100,104
<b>Deductions</b>		
Student activity deductions	97,601	95,477
Change in net position	236	4,627
Net position - beginning	72,632	68,005
<b>Net position - ending</b>	\$ 72,868	\$ 72,632

**Notes to Financial Statements**

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**1. Summary of Significant Accounting Policies**

**Reporting Entity**

Belfast Central School District (the District) is governed by Education and other laws of the State of New York (the State). The District's Board of Education has responsibility and control over all activities related to public school education within the District. The District's Superintendent is the chief executive officer and the President of the Board serves as the chief fiscal officer. The Board members are elected by the public and have decision-making authority, the power to designate management, the ability to influence operations, and the primary accountability for fiscal matters.

The District provides education and support services such as administration, transportation, and plant maintenance. The District receives funding from local, state, and federal sources and must comply with requirements of these funding sources. However, the District is not included in any other governmental reporting entity as defined by accounting principles generally accepted in the United States of America (GAAP), nor does it contain any component units.

The financial statements of the District have been prepared in conformity with GAAP as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**Joint Venture**

The District is one of 22 participating school districts in the Cattaraugus-Allegany-Erie-Wyoming Board of Cooperative Educational Services (BOCES). Formed under §1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES.

The component school district boards elect the members of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. BOCES may also contract with other municipalities on a cooperative basis under State General Municipal Law.

A BOCES' budget is comprised of separate spending plans for administrative, program, and capital costs. Each component school district shares in administrative and capital costs determined by its enrollment. Participating districts are charged a service fee for programs in which students participate, and for other shared contracted administrative services. Participating districts may issue debt on behalf of BOCES; there is no such debt issued by the District.

During the year ended June 30, 2025, the District was billed \$2,266,000 for BOCES administrative and program costs and recognized revenue of \$101,000 as a refund from prior year expenditures paid to BOCES. In addition, BOCES paid the District \$35,000 for short-term rental of various classrooms and substitute reimbursements. Audited financial statements are available from BOCES' administrative offices.

**Risk Management**

The District participates in the Allegany Cattaraugus Schools Workers' Compensation Plan and Allegany-Cattaraugus Schools Medical Health Plan which are public entity risk pools. These plans are designed to provide workers' compensation and health insurance coverage for participating entities. These activities are further discussed in Note 9.

## Basis of Presentation

*Government-Wide Financial Statements:* The statement of net position and the statement of activities display financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational requirements of a particular program, and (c) capital grants and contributions limited to the purchase or construction of specific capital assets, if any. Revenues that are not classified as program revenues, including all taxes and state aid, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the District's funds. Separate statements for each fund category – *governmental and fiduciary* – are presented. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Special aid fund.* This fund is used to account for the proceeds of specific revenue sources – other than expendable trusts or major capital projects – such as federal, state, and local grants and awards that are restricted or committed to expenditure for specific purposes. Either governments or other third parties providing the grant funds impose these restrictions.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District also elected to display the following as major funds:

- *Debt service fund.* This fund is used to account for resources that are restricted to expenditure for principal and interest.
- *Food service fund.* This fund is a special revenue fund whose specific revenue sources, including free and reduced meal subsidies received from state and federal programs, are assigned to the operation of the District's breakfast and lunch programs.
- *Public library fund.* This fund is used to account for transactions of the library established and supported in whole or in part by real property taxes.
- *Miscellaneous special revenue fund.* This fund is used to account for resources that are restricted to student scholarships. Donations are made by third parties and District personnel manage the funds and assist with determination of scholarship recipients.

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District maintains a custodial fund for its student activity accounts.

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

### **Basis of Accounting and Measurement Focus**

The government-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 flows take place. Nonexchange transactions, in which the District receives value directly without giving equal value in exchange, include real property taxes, grants, and donations. Revenue from real property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds 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 District considers all revenues reported in the governmental funds to be available if they are collected within ninety days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset additions are reported as expenditures in governmental funds. Proceeds of long-term liabilities are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

### **Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **Real Property Taxes**

The District generally levies real property taxes no later than September 1. For the year ended June 30, 2025, the tax lien was issued on September 10, 2024 for collection from September 1, 2024 through November 1, 2024. Thereafter, uncollected amounts for the residents of the towns served by the District became the responsibility of Allegany County and those amounts were submitted to the District by April 1st of the following year as required by law.

### **Budget Process, Amendments, and Encumbrances**

District administration prepares a proposed budget for the general fund requiring approval by the Board. A public hearing is held upon completion and filing of the tentative budget. Subsequently, the budget is adopted by the Board. The proposed budget is then presented to voters of the District. The budget for the fiscal year beginning July 1, 2024 was approved by a majority of the voters in a general election held on May 21, 2024.

Annual appropriations are adopted and employed for control of the general fund. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year may be increased by the planned use of specific restricted, committed, and assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

Major capital expenditures are subject to individual project budgets based on the cost of the project and external financing rather than annual appropriations. For the capital projects fund, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and again in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At July 1, encumbrances carried forward from the prior year are reestablished as budgeted appropriations.

**Cash and Investments**

Cash and investment management is governed by State laws and as established in the District’s written policies. Cash must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District’s policies permit the Treasurer to use demand and time accounts, certificates of deposit, obligations of the United States Treasury and its Agencies, and obligations of the State or its localities, including those held under repurchase agreements or in external investment pools.

Custodial credit risk is the risk that in the event of a bank failure the District’s deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit 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 school districts. At June 30, 2025, the District’s bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institution’s agent in the District’s name.

**Inventory**

Inventory consists of food and similar goods related to food service operations and is recorded at the lower of first-in, first-out cost or net realizable value. Donated commodities are stated at values which approximate market.

**Capital Assets**

Capital assets are reported at actual or estimated historical cost based on appraisals. Contributed assets are recorded at fair value at the time received. Depreciation and amortization are provided in the government-wide financial statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which assets are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Buildings and improvements	\$ 5,000	15 - 40
Equipment	\$ 5,000	5 - 20
Vehicles	\$ 5,000	8

**Bond Defeasances**

In the government-wide financial statements, gains or losses on bond refundings represent the difference between the price required to repay previously issued debt and the net carrying amount of the retired debt, and are recorded as either a deferred outflow or deferred inflow of resources. In subsequent years, these amounts are amortized on a straight-line basis as a component of interest expense over the shorter of the life of the old or new debt.

**Bond Premiums**

Premiums received upon the issuance of debt are included as other financing sources in the governmental funds financial statements when issued. In the government-wide financial statements, premiums are recognized with the related debt issue and amortized on a straight-line basis as a component of interest expense over the life of the related obligation.

## Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid and unused accumulated vacation and sick time that is more likely than not to be used, paid, or settled by noncash means prior to or at termination of employment. Such accumulated time is valued based on a combination of the applicable employees' rates of pay at year end and contractual rates of payout at retirement, based on estimates of amounts to be used for each. The liability also includes an estimate of leave that is not attributable to a specific employee but rather is available for use by all employees within certain bargaining units and is valued at the estimated pay rates of all eligible employees. Year to year changes in the liability are presented as a net increase or decrease (Note 6).

## Pensions

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS) (the Systems) as mandated by State law. The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide financial statements, the District recognizes its proportionate share of the net pension position, deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position (Note 7) on the same basis as reported by the respective defined benefit pension plans.

## Other Postemployment Benefits (OPEB)

On the government-wide financial statements, the total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense of the District's defined benefit healthcare plan (Note 8) have been measured on the same basis as reported by the plan. Benefit payments are recognized when due and payable in accordance with benefit terms.

## Equity Classifications

### Government-Wide Financial Statements

The District is required to classify net position into three categories:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and amortization, and defeasance losses reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by related liabilities and deferred inflows of resources. Restrictions are imposed by external organizations such as federal or state laws or required by the terms of the District's bonds.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by the District.

### Governmental Fund Financial Statements

The District considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget. Within unrestricted fund balance, the District considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Fund balance is categorized as follows:

Nonspendable:	
Inventory	\$ 18,237
Restricted:	
Capital	1,030,165
Debt service	120,747
Employee benefit accrued liability	230,853
Retirement contribution	391,177
Unemployment insurance	24,834
Workers' compensation	29,977
Repair	52,829
Scholarships	10,948
Assigned:	
Encumbrances	185,073
Food service	56,130
Unassigned	(4,586,685)
	<u>\$ (2,435,715)</u>

Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash.

Restricted fund balances generally result from reserves created by the State of New York Legislature and included in General Municipal Law, State Education Law, or Real Property Tax Law as authorized for use by the Board of Education. Certain reserves may require voter approval for their establishment and/or use. Earnings on invested resources are required to be added to the various reserves.

Fund balance restrictions include scholarships donated to the District by third parties for the benefit of students and the following reserves:

- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. During 2022, voters approved the creation of capital reserves totaling \$1,000,000, plus interest, which have been fully funded.
- *Debt service* – is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond premiums), and remaining bond proceeds not needed for their original purpose as required by §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is 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.
- *Retirement contribution* – is used to finance retirement contributions payable to TRS and ERS. For TRS, funding is limited to 2% annually of eligible salaries with a maximum reserve of 10% of eligible salaries. At June 30, 2025, the retirement contribution reserve includes \$161,229 for TRS and \$229,948 for ERS.
- *Unemployment insurance* – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the District has elected to use the benefit reimbursement method.
- *Workers' compensation* – is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this program.
- *Repair* – is used to accumulate funds to finance costs of major repairs to capital improvements or equipment and requires a public hearing prior to its use.

Committed fund balances are authorized by the Board of Education as recommended by the District's management prior to the end of the fiscal year, although funding of the commitment may be established subsequent to year end.

Assigned fund balances may include the planned use of existing fund balance to offset the subsequent year's tax levy. Additionally, the Board of Education has given the District's management the authority to assign fund balances for specific purposes that are neither restricted nor committed.

**Interfund Balances**

The operations of the District include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are normally repaid within one year. Permanent transfers of funds provide financing or other services.

In the government-wide financial statements, the amounts reported on the statement of net position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to fiduciary funds.

Interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the District's practice to settle these amounts at the net balances due between funds.

**2. Stewardship and Compliance**

The capital projects deficit fund balance of \$5,065,107 will be funded when the District obtains permanent financing for its projects.

**3. Interfund Transactions – Fund Financial Statements**

Fund	Receivable	Payable	Transfers	
			In	Out
General	\$ -	\$ 19,082	\$ -	\$ 147,663
Special aid	481,207	720,622	-	-
Capital projects	1,686,976	1,555,443	97,633	-
Debt service	157,283	60,992	-	-
Food service	464,122	433,449	50,000	-
Miscellaneous special revenue	668	-	-	-
Custodial	-	668	-	-
	<u>\$ 2,790,256</u>	<u>\$ 2,790,256</u>	<u>\$ 147,633</u>	<u>\$ 147,663</u>

The District’s general fund provides cash flow to other funds. Amounts are typically repaid in the subsequent year when funds are available. The general fund made permanent transfers to the capital projects fund for the District’s local share of capital projects and to the food service fund for annual operating costs.

#### 4. Capital Assets

	July 1, 2024	Increases	Retirements/ Reclassifications	June 30, 2025
<b>Non-depreciable and non-amortizable capital assets:</b>				
Land	\$ 56,901	\$ -	\$ -	\$ 56,901
Construction in progress	1,886,843	3,012,478	-	4,899,321
Total non-depreciable and non-amortizable assets	1,943,744	3,012,478	-	4,956,222
<b>Depreciable capital assets:</b>				
Buildings and improvements	28,586,919	-	-	28,586,919
Equipment	2,405,326	65,756	(62,131)	2,408,951
Vehicles	1,213,335	318,222	(230,481)	1,301,076
Total depreciable assets	32,205,580	383,978	(292,612)	32,296,946
<b>Accumulated depreciation:</b>				
Buildings and improvements	(9,152,743)	(656,241)	-	(9,808,984)
Equipment	(1,174,619)	(129,700)	52,032	(1,252,287)
Vehicles	(784,349)	(131,060)	212,111	(703,298)
Total accumulated depreciation	(11,111,711)	(917,001)	264,143	(11,764,569)
Total depreciable assets, net	21,093,869	(533,023)	(28,469)	20,532,377
<b>Right-to-use lease assets:</b>				
Equipment	530,095	192,720	(89,961)	632,854
Accumulated amortization	(241,279)	(128,124)	89,961	(279,442)
Total right-to-use assets, net	288,816	64,596	-	353,412
	<u>\$ 23,326,429</u>	<u>\$ 2,544,051</u>	<u>\$ (28,469)</u>	<u>\$ 25,842,011</u>

Depreciation and amortization expense have been allocated to the following functions: general support \$153,018, instruction \$761,047, and pupil transportation \$131,060.

As of June 30, 2025, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation and amortization	\$ 25,842,011
Defeasance loss	144,653
Bond anticipation notes, net of unspent proceeds	(5,065,107)
Energy performance contract	(270,000)
Bonds and related premiums	(6,936,577)
	<u>\$ 13,714,980</u>

#### 5. Short-Term Debt

Bond anticipation notes (BANs) outstanding at June 30, 2025 amounted to \$5,287,995 (\$3,402,000 as of June 30, 2024) and carried interest of 4.5% (4.25% in 2024).

Subsequent to year end, in August 2025, the District issued BANs of \$5,232,995 at 4.0% to redeem existing BANs and provide additional funds for capital projects.

## 6. Long-Term Liabilities

	July 1, 2024	Increases	Decreases	June 30, 2025	Amount Due in One Year
Energy performance contract	\$ 305,000	\$ -	\$ 35,000	\$ 270,000	\$ 35,000
Bonds	6,875,000	-	865,000	6,010,000	450,000
Bond premiums	1,028,360	-	101,783	926,577	-
Compensated absences	485,000	112,000	-	597,000	170,000
	<u>\$ 8,693,360</u>	<u>\$ 112,000</u>	<u>\$ 1,001,783</u>	<u>\$ 7,803,577</u>	<u>\$ 655,000</u>

### Existing Obligations

Description	Maturity	Rate	Balance
Energy performance contract	September 2031	3.0%	\$ 270,000
2017 DASNY refunding bond	June 2039	2.0%-5.0%	1,570,000
2020 DASNY bond	June 2033	5.0%	350,000
2021 DASNY bond	June 2036	4.0%-5.0%	3,145,000
2023 DASNY bond	June 2034	5.0%	945,000
			<u>\$ 6,280,000</u>

### Debt Service Requirements

Years ending June 30,	Principal	Interest
2026	\$ 485,000	\$ 279,772
2027	515,000	256,222
2028	535,000	231,171
2029	565,000	205,121
2030	600,000	177,670
2031-2035	2,870,000	466,397
2036-2039	710,000	52,283
	<u>\$ 6,280,000</u>	<u>\$ 1,668,636</u>

## 7. Pension Plans

### Plan Descriptions

The District participates in the following cost-sharing, multiple employer, public employee retirement systems:

- TRS is administered by the New York State Teachers' Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained from the New York State Teachers' Retirement System at [www.nystrs.org](http://www.nystrs.org).
- ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire).

*Benefits:* The Systems provide retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

*Contribution Requirements:* No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 10.11% for 2025. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2025, these rates ranged from 11.4% - 17.9%.

The amount outstanding and payable to TRS for the year ended June 30, 2025 was \$346,047. A liability to ERS of \$50,327 is accrued based on the District's legally required contribution for employee services rendered from April 1 through June 30, 2025.

**Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

At June 30, 2025, the District reported an asset of \$502,315 for its proportionate share of the TRS net pension position and a liability of \$588,169 for its proportionate share of the ERS net pension position.

The TRS total pension liability at the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, with update procedures applied to roll forward the total pension liability to June 30, 2024. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2024, the District's proportion was 0.016836%, an increase of 0.000099 from its proportion measured as of June 30, 2023.

The ERS total pension liability at the March 31, 2025 measurement date was determined by an actuarial valuation as of April 1, 2024, with update procedures applied to roll forward the total pension liability to March 31, 2025. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At March 31, 2025, the District's proportion was 0.0034304%, a decrease of 0.0002493 from its proportion measured as of March 31, 2024.

For the year ended June 30, 2025, the District recognized net pension expense of \$426,585 on the government-wide financial statements (TRS expense of \$275,158 and ERS expense of \$151,427). At June 30, 2025, the District reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 540,901	\$ -	\$ 145,987	\$ (6,886)
Changes of assumptions	300,486	(50,545)	24,667	-
Net difference between projected and actual earnings on pension plan investments	-	(558,115)	46,146	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,200	(31,534)	51,366	(23,954)
District contributions subsequent to the measurement date	346,047	-	50,327	-
	<u>\$ 1,194,634</u>	<u>\$ (640,194)</u>	<u>\$ 318,493</u>	<u>\$ (30,840)</u>

District contributions subsequent to the measurement date will be recognized as an addition to (a reduction of) the net pension asset (liability) in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,	TRS	ERS
2026	\$ (260,346)	\$ 116,156
2027	608,971	161,783
2028	(108,410)	(43,932)
2029	(119,177)	3,319
2030	62,531	-
Thereafter	24,824	-
	<u>\$ 208,393</u>	<u>\$ 237,326</u>

**Actuarial Assumptions**

For TRS, the actuarial assumptions used in the June 30, 2023 valuation, with update procedures used to roll forward the total pension liability to June 30, 2024, were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. These assumptions are:

- Inflation* – 2.4%
- Salary increases* – Based on TRS member experience, dependent on service, ranging from 1.95%-5.18%
- Projected Cost of Living Adjustments (COLA)* – 1.3% compounded annually
- Investment rate of return* – 6.95% compounded annually, net of investment expense, including inflation
- Mortality* – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021, applied on a generational basis
- Discount rate* – 6.95%

The long-term expected rate of return on TRS pension plan investments was determined in accordance with Actuarial Standard of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. 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.

For ERS, the actuarial assumptions used in the April 1, 2024 valuation, with update procedures used to roll forward the total pension liability to March 31, 2025, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

- Inflation* – 2.9%
- Salary increases* – 4.3%
- COLA* – 1.5% annually
- Investment rate of return* – 5.9% compounded annually, net of investment expense, including inflation
- Mortality* – Society of Actuaries’ Scale MP-2021
- Discount rate* – 5.9%

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

## Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long-term inflation assumption) for each major asset class and the Systems' target asset allocations as of the applicable valuation dates are summarized as follows:

Asset Class	TRS		ERS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33%	6.6%	25%	3.5%
Global and international equities	19%	6.9%-7.4%	14%	6.6%
Private equities	9%	10.0%	15%	7.3%
Real estate equities	11%	6.3%	12%	5.0%
Domestic fixed income securities	16%	2.6%	22%	2.0%
Global and high-yield bonds	3%	2.5%-4.8%	-	-
Cash and cash equivalents	1%	0.5%	1%	0.3%
Other	8%	3.9%-5.9%	11%	5.3%-5.6%
	<u>100%</u>		<u>100%</u>	

## Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of its net pension position calculated using the discount rate of 6.95% (TRS) and 5.9% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate.

	At Current		
	1.0% Decrease	Discount Rate	1.0% Increase
District's proportionate share of the TRS net pension asset (liability)	\$ (2,320,222)	\$ 502,315	\$ 2,876,145
District's proportionate share of the ERS net pension asset (liability)	\$ (1,702,235)	\$ (588,169)	\$ 342,077

## 8. OPEB

### Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan) providing for the continuation of medical insurance for District employees and their spouses based on various bargaining unit agreements and individual contracts. Benefit provisions are based on individual contracts with the District, as negotiated from time to time. Eligibility is based on covered employees who retire from the District and have met vesting requirements. The Plan is also open to all eligible retirees and provides continued insurance through the conversion of sick time or by payment of monthly premiums by participants in the District's policies. The District thereby provides an implicit rate subsidy on behalf of eligible retirees. The Plan has no assets, does not issue financial statements, and is not a trust.

At July 1, 2024, employees covered by the Plan include:

Active employees	97
Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	-
	105

### Total OPEB Liability

The District's total OPEB liability of \$972,773 was measured as of July 1, 2024 and was determined by an actuarial valuation as of the same date.

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

*Healthcare cost trend rates* – based on a combination of employer history, national trend surveys, and professional judgment, initially 7.5% decreasing to an ultimate rate of 4.5% after 2029

*Salary increases* – 3.3% – 8.8% for ERS and 1.84% – 12.31% for TRS

*Mortality* – SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021

*Discount rate* – 4.21% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date

*Inflation rate* – 2.5%

### Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2024	\$ (737,987)
Changes for the year:	
Service cost	(42,326)
Interest	(31,826)
Changes of benefit terms	-
Differences between expected and actual experience	(186,330)
Changes of assumptions or other inputs	6,077
Benefit payments	19,619
Net changes	(234,786)
Balance at June 30, 2025	\$ (972,773)

The following presents the sensitivity of the District's total OPEB liability to changes in the discount rate, including what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (3.21%)	Discount Rate (4.21%)	1.0% Increase (5.21%)
Total OPEB liability	\$ (1,045,027)	\$ (972,773)	\$ (905,372)

The following presents the sensitivity of the District's total OPEB liability to changes in the healthcare cost trend rates, including what the District's total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates:

	1.0% Decrease (6.5% to 3.5%)	Healthcare Cost Trend Rate (7.5% to 4.5%)	1.0% Increase (8.5% to 5.5%)
Total OPEB liability	\$ (877,979)	\$ (972,773)	\$ (1,082,899)

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$81,659. At June 30, 2025, the District reported deferred outflows 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	\$ 178,951	\$ (57,674)
Changes of assumptions or other inputs	65,808	(15,907)
Benefit payments subsequent to the measurement date	36,113	-
	<u>\$ 280,872</u>	<u>\$ (73,581)</u>

Benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2026	\$ 18,055
2027	19,768
2028	22,031
2029	19,570
2030	20,210
Thereafter	71,544
	<u>\$ 171,178</u>

## 9. Risk Management

### General Liability

The District purchases commercial insurance for various risks of loss due to torts, theft, damage, errors and omissions, and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

### Workers' Compensation

The District participates in the Allegany Cattaraugus Schools Workers' Compensation Plan (the Plan) sponsored by Cattaraugus-Allegany-Erie-Wyoming BOCES. The Plan administers a workers' compensation insurance fund pursuant to Article 5 of the Workers' Compensation Law to finance the liability and risk related to workers' compensation claims and to lower the costs of coverage to the participating members. The Plan includes 23 school districts and the BOCES unit as of June 30, 2024 (the most recent information available).

The District has transferred partial risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Plan members could be subjected, however, to pro-rata supplemental assessments in the event that the Plan's assets are not adequate to meet claims. To date, these supplemental assessments have not been required.

The Plan information for the year ended June 30, 2024 is included in the financial statements of Cattaraugus-Allegany-Erie-Wyoming BOCES, which can be obtained from Cattaraugus-Allegany-Erie-Wyoming BOCES, 1825 Windfall Road, Olean, New York 14760.

## **Health Insurance**

The District participates in the Allegany-Cattaraugus Schools Medical Health Plan (the Plan), sponsored by Cattaraugus-Allegany-Erie-Wyoming BOCES. The Plan has been established to administer a health insurance program to lower the costs of such coverage to the 23 participating members and the BOCES unit as of June 30, 2024 (the most recent information available).

The District has transferred partial risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Plan members could be subjected, however, to pro-rata supplemental assessments in the event that the Plan's assets are not adequate to meet claims. In 2024, as a result of a significant increase in claims, supplemental assessments were required by the members; the District paid its share, which totaled \$141,772.

The Plan has published its own financial report for the year ended June 30, 2024, which can be obtained from Cattaraugus-Allegany-Erie-Wyoming BOCES, 1825 Windfall Road, Olean, New York 14760.

## **10. Commitments and Contingencies**

### **Grants**

The District receives financial assistance from federal and state agencies in the form of grants and calculated aid as determined by the State. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and are subject to audit by the grantor agencies. State aid payments are based upon estimated expenditures and pupil statistics, are complex, and subject to adjustment. Any disallowed claims resulting from such audits could become a liability of the District. Based on prior experience, management expects such amounts to be immaterial.

### **Construction Commitments**

The District has entered into contracts with various construction companies for its outstanding capital project. District voters approved spending up to \$5,500,000 and \$5,257,000 has been spent to date.

BELFAST CENTRAL SCHOOL DISTRICT

**Required Supplementary Information (Unaudited)**  
**Schedule of the District's Proportionate Share of the Net Pension Position**  
**New York State Teachers' Retirement System**

As of the measurement date of June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension position	0.016836%	0.016737%	0.016438%	0.015966%	0.015921%	0.016021%	0.016496%	0.016666%	0.017147%	0.016938%
District's proportionate share of the net pension asset (liability)	\$ 502,315	\$ (191,400)	\$ (315,435)	\$ 2,766,827	\$ (439,949)	\$ 416,225	\$ 298,299	\$ 126,682	\$ (183,649)	\$ 1,759,304
District's covered payroll	\$ 3,214,559	\$ 3,091,137	\$ 2,912,112	\$ 2,710,010	\$ 2,785,508	\$ 2,674,153	\$ 2,687,082	\$ 2,641,084	\$ 2,645,913	\$ 2,544,295
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	15.63%	(6.19%)	(10.83%)	102.10%	(15.79%)	15.56%	11.10%	4.80%	(6.94%)	69.15%
Plan fiduciary net position as a percentage of the total pension liability	102.09%	99.17%	98.57%	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%

The following is a summary of changes of assumptions:

Inflation	2.4%	2.4%	2.4%	2.4%	2.2%	2.2%	2.25%	2.5%	2.5%	3.0%
Salary increases	1.95%-5.18%	1.95%-5.18%	1.95%-5.18%	1.95%-5.18%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	4.0%-10.9%
Cost of living adjustments	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.625%
Investment rate of return	6.95%	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%
Discount rate	6.95%	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA

BELFAST CENTRAL SCHOOL DISTRICT

**Required Supplementary Information (Unaudited)**  
**Schedule of District Contributions**  
**New York State Teachers' Retirement System**

For the years ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 346,047	\$ 313,741	\$ 318,078	\$ 285,387	\$ 258,264	\$ 246,796	\$ 283,995	\$ 263,334	\$ 309,535	\$ 350,848
Contribution in relation to the contractually required contribution	(346,047)	(313,741)	(318,078)	(285,387)	(258,264)	(246,796)	(283,995)	(263,334)	(309,535)	(350,848)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,422,819	\$ 3,214,559	\$ 3,091,137	\$ 2,912,112	\$ 2,710,010	\$ 2,785,508	\$ 2,674,153	\$ 2,687,082	\$ 2,641,084	\$ 2,645,913
Contributions as a percentage of covered payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

BELFAST CENTRAL SCHOOL DISTRICT

**Required Supplementary Information (Unaudited)**  
**Schedule of the District's Proportionate Share of the Net Pension Position**  
**New York State and Local Employees' Retirement System**

As of the measurement date of March 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension position	0.0034304%	0.0036797%	0.0035333%	0.0032602%	0.0031917%	0.0029151%	0.0025410%	0.0024336%	0.0025679%	0.0027063%
District's proportionate share of the net pension asset (liability)	\$ (588,169)	\$ (541,806)	\$ (757,675)	\$ 266,506	\$ (3,178)	\$ (771,941)	\$ (180,036)	\$ (78,544)	\$ (241,364)	\$ (434,361)
District's covered payroll	\$ 1,271,135	\$ 1,336,763	\$ 1,160,601	\$ 1,059,716	\$ 1,008,870	\$ 930,212	\$ 882,940	\$ 835,494	\$ 831,866	\$ 852,272
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(46.27%)	(40.53%)	(65.28%)	25.15%	(0.32%)	(82.99%)	(20.39%)	(9.40%)	(29.01%)	(50.97%)
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

The following is a summary of changes of assumptions:

Inflation	2.9%	2.9%	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary increases	4.3%	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%
Cost of living adjustments	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

BELFAST CENTRAL SCHOOL DISTRICT

**Required Supplementary Information (Unaudited)**  
**Schedule of District Contributions**  
**New York State and Local Employees' Retirement System**

For the years ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 180,185	\$ 165,955	\$ 128,901	\$ 162,789	\$ 138,104	\$ 125,156	\$ 120,277	\$ 122,247	\$ 127,155	\$ 138,613
Contribution in relation to the contractually required contribution	(180,185)	(165,955)	(128,901)	(162,789)	(138,104)	(125,156)	(120,277)	(122,247)	(127,155)	(138,613)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,271,135	\$ 1,336,763	\$ 1,160,601	\$ 1,059,716	\$ 1,008,870	\$ 930,212	\$ 882,940	\$ 835,494	\$ 831,866	\$ 852,272
Contributions as a percentage of covered payroll	14.18%	12.41%	11.11%	15.36%	13.69%	13.45%	13.62%	14.63%	15.29%	16.26%

BELFAST CENTRAL SCHOOL DISTRICT

**Required Supplementary Information (Unaudited)  
Schedule of Changes in the District's  
Total OPEB Liability and Related Ratios**

For the years ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability - beginning	\$ (737,987)	\$ (628,976)	\$ (637,329)	\$ (602,389)	\$ (557,305)	\$ (552,540)	\$ (539,134)	\$ (594,372)	\$ (566,047)
Changes for the year:									
Service cost	(42,326)	(38,810)	(37,760)	(35,333)	(26,554)	(25,764)	(26,876)	(30,257)	(29,777)
Interest	(31,826)	(27,140)	(14,607)	(16,803)	(20,124)	(21,905)	(19,804)	(17,963)	(16,072)
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(186,330)	(16,368)	31,284	24,227	48,331	31,534	(4,766)	60,964	33,449
Changes of assumptions or other inputs	6,077	(35,201)	13,121	(19,180)	(67,963)	(13,409)	18,425	23,465	(47,396)
Benefit payments	19,619	8,508	16,315	12,149	21,226	24,779	19,615	19,029	31,471
Net change in total OPEB liability	(234,786)	(109,011)	8,353	(34,940)	(45,084)	(4,765)	(13,406)	55,238	(28,325)
Total OPEB liability - ending	\$ (972,773)	\$ (737,987)	\$ (628,976)	\$ (637,329)	\$ (602,389)	\$ (557,305)	\$ (552,540)	\$ (539,134)	\$ (594,372)
Covered-employee payroll	\$ 4,677,927	\$ 3,886,235	\$ 3,791,449	\$ 3,774,852	\$ 3,682,782	\$ 3,465,825	\$ 3,381,293	\$ 2,903,204	\$ 2,865,947
Total OPEB liability as a percentage of covered-employee payroll	20.79%	18.99%	16.59%	16.88%	16.36%	16.08%	16.34%	18.57%	20.74%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Differences between expected and actual experience in 2025 are the result of actual premiums and per capita claims costs greater than expected.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	7.5%-4.5%	8.0%-4.5%	7.5%-4.5%	7.5%-4.5%	8.0%-4.5%	7.5%-4.5%	8.0%-4.5%	8.5%-5.0%	9.0%-5.09%
Inflation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	1.3%	1.3%
Salary increases	1.84%-12.31%	1.84%-12.31%	1.84%-12.31%	1.76%-10.0%	1.76%-10.0%	1.76%-10.0%	1.76%-10.0%	1.76%-10.0%	1.76%-10.0%
Discount rate	4.21%	4.13%	4.09%	2.19%	2.66%	3.51%	3.87%	3.56%	2.92%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2015	MP-2015

Data prior to 2017 is unavailable.

**Supplementary Information**  
**Schedule of Change from Original to Final Budget and**  
**Calculation of Unrestricted Fund Balance Limit - General Fund**

For the year ended June 30, 2025

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Original expenditure budget	\$ 12,548,132
Encumbrances carried over from prior year	<u>235,732</u>
Revised expenditure budget	<u>\$ 12,783,864</u>

\* \* \*

Unrestricted Fund Balance

Assigned	\$ 185,073
Unassigned	<u>478,422</u>
	663,495
Encumbrances included in assigned fund balance	(185,073)
Appropriated fund balance used for tax levy	<u>-</u>
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	<u>\$ 478,422</u>

§1318 of Real Property Tax Law - unrestricted fund balance limit calculation

2026 expenditure budget (unaudited)	\$ 12,611,160
4% of budget	<u>504,446</u>
Actual percentage of 2026 expenditure budget	<u>3.8%</u>

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**Supplementary Information  
Schedule of Capital Project Expenditures**

For the year ended June 30, 2025

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Project Title	Original Budget	Revised Budget	Expenditures			Unexpended Balance
			Prior Years	Current Year	Total	
Capital Improvement Project 2022	\$ 5,500,000	\$ 5,500,000	\$ 2,284,585	\$ 2,972,363	\$ 5,256,948	\$ 243,052
Capital Outlay Project	100,000	97,663	-	97,663	97,663	-
	<u>\$ 5,600,000</u>	<u>\$ 5,597,663</u>	<u>\$ 2,284,585</u>	<u>\$ 3,070,026</u>	<u>\$ 5,354,611</u>	<u>\$ 243,052</u>

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

The Board of Education  
Belfast Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAP) 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 remaining fund information of Belfast Central School District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in blue ink that reads "Lyndon & McCormick, LLP". The signature is written in a cursive, flowing style.

October 14, 2025