SWEET HOME CENTRAL SCHOOL DISTRICT

Financial Statements as of and for the Year Ended June 30, 2025 Together with Independent Auditor's Report

Bonadio & Co., LLP
Accounting, Consulting & More

SWEET HOME CENTRAL SCHOOL DISTRICT

Table of Contents
June 30, 2025

	Page
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4
FINANCIAL STATEMENTS	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	14
Notes to Financial Statements	15
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	45
Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios	46
Schedule of Proportionate Share of Net Pension Liability (Asset)	47
Schedule of Contributions - Pension Plans	48

SWEET HOME CENTRAL SCHOOL DISTRICT

Table of Contents
June 30, 2025

	Page
OTHER INFORMATION (UNAUDITED)	
Schedule of Change from Original Budget to Revised Budget and Schedule of Section 1318 of Real Property Tax Law Limit Calculation – General Fund	50
Schedule of Project Expenditures – Capital Projects Fund	51
Schedule of Net Investment of Capital Assets	52
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	53

Bonadio & Co., LLP
Accounting, Consulting & More

INDEPENDENT AUDITOR'S REPORT

October 9, 2025

To the Board of Education of the
Sweet Home Central School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Sweet Home 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Correction of an Error

As described in Note 15 to the financial statements, in 2025, the District corrected errors related to the reporting for its extraclassroom activities. Our opinions are not modified with respect to this matter.

171 Sully's Trail
Pittsford, NY 14534
p (585) 381-1000
f (585) 381-3131

www.bonadio.com

(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change from Original Budget to Revised Budget and Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General Fund, Schedule of Project Expenditures - Capital Project Fund, and the Schedule of Net Investment in Capital Assets, as required by the New York State Education Department, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Bonadio & Co., LLP

INTRODUCTION

Management's Discussion and Analysis (MD&A) of Sweet Home 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 as part of 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) notes to the financial statements, and (5) supplementary and other information.

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 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.

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

Supplementary and other 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.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 – Condensed Statement of Net Position (in 000's)

	2025	2024	Change $	Change %
Current assets	$ 26,135	$ 26,773	$ (638)	(2.4)%
Non-current assets	122,855	121,054	1,801	1.5%
Total assets	148,990	147,827	1,163	0.8%
Deferred outflows of resources	19,023	20,362	(1,339)	(6.6)%
Long-term liabilities	72,319	77,816	(5,497)	(7.1)%
Current liabilities	7,608	7,790	(182)	(2.3)%
Total liabilities	79,926	85,606	(5,680)	(6.6)%
Deferred inflows of resources	9,359	5,778	3,581	62.0%
Net position				
Net investment in capital assets	67,199	66,270	929	1.4%
Restricted	11,186	8,386	2,800	33.4%
Unrestricted	343	2,149	(1,806)	(84.0)%
Total net position	$ 78,728	$ 76,805	$ 1,923	2.5%

Net position amounted to $78,728,000 and $76,805,000 as of 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 also includes resources that are subject to external restrictions on how they may be used, which includes reserves set aside for specific purposes governed by laws and regulations. Such items include the debt service reserve, which is set aside for the repayment of bonds used to finance capital projects; the employee benefit accrued liability reserve, which is restricted to pay future accumulated vacation and sick time; and the retirement contribution reserve, restricted to fund contributions paid by the District to the New York State Teachers' Retirement System (TRS) and New York State and Local Employees' Retirement System (ERS). Other restricted resources include the unemployment insurance, workers' compensation, tax certiorari, and capital reserves, whose restrictions are indicated by their respective names.

Total assets increased by $1,163,000. Current assets decreased by $638,000 and non-current assets increased by $1,801,000. The decrease in current assets is primarily a result of the District's operations during the year as discussed on the next page. The non-current assets increase is the result of a large net pension asset related to TRS in the current year.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Long-term liabilities decreased by $5,680,000 primarily due to premium amortization of $208,000, and debt repayments of $4,360,000. There was also an additional increase in compensated absences as a result of the implementation of GASB 101, *Compensated Absences*.

Changes in deferred outflows and deferred inflows of resources include changes in pension activity at the State level which are required to be reflected in the District's financial statements. Deferred outflows of resources include contributions required to be paid by the District to the State pension systems after the measurement date. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. Also included in deferred outflows and deferred inflows of resources are differences between expected and actual experience and changes of assumptions related to the District's total OPEB liability.

Table 2 – Condensed Statement of Activities (in 000's)

	2025	2024	Change $	Change %
Revenues				
Program revenues				
Charges for services	$ 677	$ 1,343	$ (666)	(49.6)%
Operating grants and contributions	9,470	12,044	(2,574)	(21.4)%
Capital grants	337	-	337	100%
General revenues				
Taxes and related items	60,364	59,450	914	1.5%
State aid	36,413	32,582	3,831	11.8%
Other	2,611	1,268	1,343	59.1%
Total revenues	109,872	106,687	3,185	3.0%
Expenses				
Instruction	78,598	84,437	(5,839)	(6.9)%
Support services -				
General support	13,014	13,625	(611)	(4.5)%
Pupil transportation	11,113	10,016	1,097	11.0%
Community service	18	-	18	100%
School food service	3,510	3,435	75	2.2%
Interest and other	1,834	2,239	(405)	(18.1)%
Total expenses	108,087	113,752	(5,665)	(5.0)%
Change in net position	1,786	(7,065)	8,851	125.3%
Net position – beginning of year, as previously reported	76,805	83,870	(7,065)	(8.4)%
Prior period adjustment	137	-	137	100%
Net position – beginning of year, as restated	76,942	83,870	(6,928)	(8.3)%
Net position – ending	$ 78,728	$ 76,805	$ 1,923	2.5%

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

District revenues increased $3,185,000. State aid increased $3,831,000 primarily as a result of additional general aid of $2.1 million, lottery aid of $756 thousand and additional state grant revenue in the special aid fund of $774 thousand in comparison to the prior year. The District's operating grants and contributions decreased by $2,237,000 as a result of the completion of the education stabilization funding. Other revenue increased by $707,000, primarily resulting from increased sales tax revenue.

Total expenses decreased by $5,665,000. The major reason for the decrease was the result of completion of the capital project, which incurred $8 million of expenditures in the prior year compared to only $172 thousand in the current year. Additionally, pension expense resulted in a decrease of $1.1 million as a result of the current year Teachers' and Employees' retirement system actuarial changes. Lastly, the Special Aid fund expenditures decreased as a result of the ending of the education stabilization funding, resulting in an approximate decrease of $2.5 million. These decreases were offset by rising costs in the General fund, increases in the compensated absences expense and increasing depreciation and amortization expense.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Total fund balances for the governmental funds remained flat from the prior, changing from $18,244,825 to $18,171,275 as further described below:

- Total fund revenue increased $3,750,000 or 3% due to an increase in state sources noted above.
- Total fund expenditures decreased by approximately $8,200,000 or 7% due to the completion of the capital project in the current year, offset by the increase expenditures in the general fund.
- The general fund experienced a decrease in fund balance of $210,000 as a result of increased expenditures noted above.

General Fund Budgetary Highlights

The revenue budget for 2025 was $96,590,000. Actual revenue was over budget by $3,322,000 or 3.4%. Taxes and tax related items and state sources were greater than budget by $1,127,000 and $1,661,000, respectively.

Actual expenditures and carryover encumbrances were less than the final amended budget by $3,656,000 or 3.5%. The difference is attributable to many factors and unknown items at the time that the budget is prepared.

Capital Assets (in 000's)

	2025	2024
Land and land improvements	$ 2,226	$ 2,226
Buildings and improvements	171,148	171,148
Furniture and equipment	13,195	13,314
Construction in progress	453	281
Total	187,022	186,969
Accumulated depreciation	(71,587)	(67,913)
Total	115,435	119,056
Right-to-use leased equipment, net	1,318	1,998
Total	$ 116,753	$ 121,054

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Capital Assets (Continued)

Current year additions of $378,000 were offset by depreciation and amortization expense and disposals of $4,679,000.

Debt

At June 30, 2025, the District had $49,554,000 in bonds, leases, and energy performance contracts outstanding, with $5,691,000 due within one year. Outstanding compensated absences payable were $4,482,292 with $1,122,999 expected to be paid within one year. 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 also remain impacted by the political pressures imposed on elected officials in funding of education at the federal level. Year-to-year changes in funding levels and State aid formulas complicate this planning process

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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 Donald Feldmann, Assistant Superintendent for Finance and Plant Services, Sweet Home Central School District, 1901 Sweet Home Road, Amherst, New York 14228.

SWEET HOME CENTRAL SCHOOL DISTRICT

Statement of Net Position
June 30, 2025

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 10,880,841
Cash and equivalents - restricted	7,537,817
Accounts receivable	770,367
Due from other governments	1,185,603
State and federal aid receivable	5,174,922
Lease receivable	457,868
Inventory	127,491
Total current assets	26,134,909
NON-CURRENT ASSETS:	
Net pension asset - TRS	6,102,018
Capital assets, nondepreciable	1,419,044
Capital assets, net	115,334,395
Total non-current assets	122,855,457
Total assets	148,990,366
DEFERRED OUTFLOWS OF RESOURCES	
Pension related - TRS	14,178,418
Pension related - ERS	3,261,194
Other postemployment benefits related	1,583,172
Total deferred outflows of resources	19,022,784
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	474,963
Accrued liabilities	2,353,130
Due to teachers' retirement system	4,189,426
Due to employees' retirement system	540,920
Unearned revenue	49,413
Total current liabilities	7,607,852
LONG-TERM LIABILITIES:	
Due and payable within one year -	
Compensated absences	1,122,999
Employee retirement longevity liability	601,475
Total other postemployment benefits liability	496,084
Bonds payable	5,025,000
Lease liability	270,687
Energy performance contract	395,603
Total long-term liabilities due and payable within one year	7,911,848
Due and payable after one year -	
Compensated absences	3,359,293
Employee retirement longevity liability	4,421,025
Total other postemployment benefits liability	7,149,331
Bonds payable	38,140,000
Premium on bonds	3,884,533
Lease liability	589,121
Energy performance contract	1,249,115
Judgments and claims	475,389
Net pension liability - ERS	5,138,954
Total long-term liabilities due and payable after one year	64,406,761
Total long-term liabilities	72,318,609
Total liabilities	79,926,461
DEFERRED INFLOWS OF RESOURCES	
Pension related - TRS	7,866,845
Pension related - ERS	167,574
Other postemployment benefits related	879,832
Lease related	444,485
Total deferred inflows of resources	9,358,736
NET POSITION	
Net investment in capital assets	67,199,380
Restricted	11,185,707
Unrestricted	342,866
Total net position	$ 78,727,953

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

SWEET HOME CENTRAL SCHOOL DISTRICT

Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
General support	$ 13,013,545	$ -	$ -	$ -	$ (13,013,545)
Instruction	78,597,612	570,338	5,284,066	337,008	(72,406,200)
Pupil transportation	11,112,768	-	-	-	(11,112,768)
Community service	17,820	-	-	-	(17,820)
Interest expense	1,834,150	-	-	-	(1,834,150)
School food service	3,509,806	107,072	4,185,836	-	783,102
Total functions/programs	$ 108,085,701	$ 677,410	$ 9,469,902	$ 337,008	(97,601,381)
General revenues:					
Real property taxes and tax items					60,363,556
Use of money and property					1,270,367
Sale of property and compensation for loss					88,666
State and federal aid not restricted for a specific purpose					36,413,125
Miscellaneous					861,776
Medicaid reimbursement					389,946
Total general revenues					99,387,436
CHANGE IN NET POSITION					1,786,055
NET POSITION - beginning of year, as previously reported					76,804,959
RESTATEMENT (Note 15)					136,939
NET POSITION - beginning of year, as restated					76,941,898
NET POSITION - end of year					$ 78,727,953

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

SWEET HOME CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds
June 30, 2025

	General	Capital Projects	Special Aid	School Lunch	Miscellaneous Special Revenue	Total Governmenal Funds
ASSETS						
Cash and cash equivalents	$ 10,676,092	$ 31,310	$ 2,461	$ 34,347	$ -	$ 10,744,210
Cash and cash equivalents - restricted	7,537,817	-	-	-	136,631	7,674,448
Accounts receivable	770,367	-	-	-	-	770,367
Due from other governments	1,185,603	-	-	-	-	1,185,603
State and federal aid receivable	2,390,981	-	2,489,377	294,564	-	5,174,922
Due from other funds	5,916,309	747,412	3,067,682	4,335,379	-	14,066,782
Lease receivable	457,868	-	-	-	-	457,868
Inventory	-	-	-	127,491	-	127,491
Total assets	$ 28,935,037	$ 778,722	$ 5,559,520	$ 4,791,781	$ 136,631	$ 40,201,691
LIABILITIES						
Accounts payable	$ 474,963	$ -	$ -	$ -	$ -	$ 474,963
Accrued liabilities	1,992,950	99,801	131,603	39,514	559	2,264,427
Due to teachers' retirement system	4,189,426	-	-	-	-	4,189,426
Due to employees' retirement system	540,920	-	-	-	-	540,920
Due to other funds	7,894,829	537,804	5,378,504	255,645	-	14,066,782
Unearned revenue	-	-	49,413	-	-	49,413
Total liabilities	15,093,088	637,605	5,559,520	295,159	559	21,585,931
DEFERRED INFLOWS OF RESOURCES						
Lease related	444,485	-	-	-	-	444,485
FUND BALANCES						
Nonspendable	-	-	-	127,491	-	127,491
Restricted	6,539,387	141,117	-	4,369,131	136,072	11,185,707
Assigned	3,266,941	-	-	-	-	3,266,941
Unassigned	3,591,136	-	-	-	-	3,591,136
Total fund balances	13,397,464	141,117	-	4,496,622	136,072	18,171,275
Total liabilities, deferred inflows of resources, and fund balances	$ 28,935,037	$ 778,722	$ 5,559,520	$ 4,791,781	$ 136,631	$ 40,201,691

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

SWEET HOME CENTRAL SCHOOL DISTRICT

Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:	
Fund balance - total governmental funds	$ 18,171,275
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds	116,753,439
Deferred outflows/inflows of resources are applicable to future periods and therefore, are not reported in the funds:	
Deferred outflows - TRS	14,178,418
Deferred outflows - ERS	3,261,194
Deferred inflows - TRS	(7,866,845)
Deferred inflows - ERS	(167,574)
Deferred outflows - OPEB	1,583,172
Deferred inflows - OPEB	(879,832)
Net pension liabilities and assets are not due and payable in the current period and; therefore, are not reported in the funds:	
Net pension asset - TRS	6,102,018
Net pension liability - ERS	(5,138,954)
Long-term liabilities are not due and payable in the current period and; therefore, are not reported in the funds:	
Compensated absences	(4,482,292)
Employee retirement longevity liability	(5,022,500)
Lease liability	(859,808)
Bonds payable	(43,165,000)
Premium on bonds	(3,884,533)
Total other postemployment benefits liability	(7,645,415)
Energy performance contract	(1,644,718)
Judgments and claims	(475,389)
Accrued interest	(84,141)
Accrued bond interest	(4,562)
Net position of governmental activities	$ 78,727,953

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

SWEET HOME CENTRAL SCHOOL DISTRICT

Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended June 30, 2025

	General	Capital Projects	Special Aid	School Lunch	Miscellaneous Special Revenue	Total Governmental Funds
REVENUES:						
Real property taxes and tax items	$ 60,363,556	$ -	$ -	$ -	$ -	$ 60,363,556
Charges for services	570,338	-	-	-	-	570,338
Use of money and property	1,269,790	-	-	577	-	1,270,367
Sale of property and compensation for loss	88,666	-	-	-	-	88,666
Miscellaneous	180,481	308	305,370	128,056	247,561	861,776
State sources	36,413,125	337,008	2,794,993	960,826	-	40,505,952
Federal sources	-	-	2,489,073	3,225,010	-	5,714,083
Medicaid reimbursement	389,946	-	-	-	-	389,946
Sales - food service	-	-	-	107,072	-	107,072
Total revenues	99,275,902	337,316	5,589,436	4,421,541	247,561	109,871,756
EXPENDITURES:						
General support	8,963,989	-	-	-	-	8,963,989
Instruction	54,869,354	-	5,041,822	-	248,428	60,159,604
Pupil transportation	7,856,008	-	590,480	-	-	8,446,488
Community service	14,060	-	-	-	-	14,060
Employee benefits	21,596,566	-	332,211	486,430	-	22,415,207
Debt service						
Principal	5,249,657	-	-	-	-	5,249,657
Interest	2,118,389	-	-	-	-	2,118,389
Cost of sales	-	-	-	2,769,167	-	2,769,167
Capital outlay	-	172,326	-	-	-	172,326
Total expenditures	100,668,023	172,326	5,964,513	3,255,597	248,428	110,308,887
EXCESS REVENUES (EXPENDITURES)	(1,392,121)	164,990	(375,077)	1,165,944	(867)	(437,131)
OTHER FINANCING SOURCES AND (USES):						
Lease proceeds	226,642	-	-	-	-	226,642
Transfers in	195,084	100,000	375,077	-	-	670,161
Tranfers out	(475,077)	-	-	(195,084)	-	(670,161)
Total other financing sources (uses)	(53,351)	100,000	375,077	(195,084)	-	226,642
CHANGE IN FUND BALANCES	(1,445,472)	264,990	-	970,860	(867)	(210,489)
FUND BALANCES (DEFICIT) - beginning of year, as previously reported	14,842,936	(123,873)	-	3,525,762	-	18,244,825
RESTATEMENT (Note 15)	-	-	-	-	136,939	136,939
FUND BALANCES - beginning of year, as restated	14,842,936	(123,873)	-	3,525,762	136,939	18,381,764
FUND BALANCES (DEFICIT) - end of year	$ 13,397,464	$ 141,117	$ -	$ 4,496,622	$ 136,072	$ 18,171,275

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

SWEET HOME CENTRAL SCHOOL DISTRICT

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

Total change in fund balances - governmental funds	$	(210,489)
Certain capital outlays and the addition of capital assets are expenditures in governmental funds, but are capitalized in the statement of net position.		377,937
Depreciation and amortization are not recorded as an expenditures in the governmental funds, but are recorded in the statement of activities.		(4,677,462)
Loss on disposal of capital assets is not an expenditure in the governmental funds, but is recorded in the statement of activities.		(1,598)
Repayments of long-term debt and lease obligations are recorded as expenditures in the governmental funds, but as recorded are reductions of liabilities in the statement of net position.		5,249,657
Proceeds from issuance of leases are recorded as other financing sources for governmental funds, but are not recorded in the statement of activities. This is the amount of proceeds from lease issued in the current year.		(226,642)
Amortization of bond premiums is not recorded as revenue in the governmental funds, but is recorded in the statement of activities.		207,942
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as pension expense.		1,105,299
On the statement of activities, the actual and projected long term expenditures for postemployment benefits are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits.		67,265
Certain expenses in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:		
Compensated absences and longevity liability		(283,792)
Judgments and claims		101,641
Change in accrued interest		76,297
Change in net position - governmental activities	$	1,786,055

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

1. NATURE OF OPERATIONS

The Sweet Home Central School District (the District) provides free K-12 public education to students living within its geographic borders.

Reporting Entity
The District is governed by Education and other laws of the State of New York (the State). The District's Board of Education (BOE) 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 financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading of incomplete.

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

- Extraclassroom Activity Funds – The extraclassroom activity funds of the District represent funds of the students of the District. The BOE exercises general oversight of these funds; however, the funds are used as designated by student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office. The District accounts for the activities of these various student organizations in the Miscellaneous Special Revenue Fund.

Joint Venture
The District is one of 19 participating school districts in the Erie 1 Board of Cooperative Educational Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

1. NATURE OF OPERATIONS (Continued)

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

During the year, the District was billed $5,055,187 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $2,036,227, including $495,909 of BOCES refund of prior year expense.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

Certain significant accounting principles and policies utilized by the District are described below.

Basis of Presentation
The District's financial statements consist of district-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

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

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

Fund Financial Statements
The fund statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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.

School Lunch 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.

The District reports the following nonmajor governmental fund:

Miscellaneous Special Revenue Fund – This fund is used to account for the activity of the extraclassroom activity funds.

The District has elected not to use a debt service fund as debt activity is currently reflected in the general fund.

Measurement Focus and Basis of Accounting

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions in which the District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

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

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

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

The District levies real property taxes no later than September 1, and become a lien during mid-August. Taxes are collected during the period September 1 through December 1. Taxes not collected at that time are turned over to the County, who assumes all responsibility for collection. Uncollected real property taxes are subsequently enforced by the County. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later the following April 1.

Restricted Resources

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

Interfund Transactions

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

In the district-wide statements, eliminations have been made for all interfund receivables and payables between the funds.

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

Refer to Note 6 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

Use of Estimates

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Restricted Cash and Investments

Restricted cash and investments represents cash, cash equivalents and investments where use is limited by legal requirements. These assets include amounts required by statute to be reserved for various purposes.

Accounts Receivable

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

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.

Leases Receivable and Deferred Inflows of Resources Related to Leases

Leases receivable and deferred inflows of resources related to leases are initially recorded at the present value of the expected future lease payments. Principal repayments and interest revenue are recognized as payments are received. Lease revenue is recognized using the effective interest rate over the lease term as deferred inflows of resources are amortized.

Capital Assets

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)
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
Land improvements	$ 1,000	20
Buildings and improvements	$ 1,000	30 – 50
Furniture and equipment	$ 1,000	5 – 20
Vehicles	$ 1,000	8

Compensated Absences
The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by the employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee). A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick pay is accrued on the basis of negotiated contracts with administrative and employee groups which provide for the payment of various amounts at retirement. All such payouts are made directly to the employees' tax deferred annuity accounts.

The government-wide financial statements reflect the entire liability, while in the governmental funds financial statements, only the amount of matured liabilities is accrued based on expendable available financial resources.

Other Benefits
District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General fund in the year paid.

District employees under specific employee groups are eligible for an employee retirement longevity award. To participate, an employee must retire on July 1 of the conclusion of the school year in which they first reach the age of eligibility, under NYSTRS. The employee retirement longevity liability is based on negotiated contracts with employee groups which provide the payment of longevity at retirement.

Deferred Outflows and Inflows of Resources
In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue
The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

Accounts Payable, Accrued Liabilities, Due to other Governments and Long-Term Obligations
Payables, accrued liabilities, Due to other governments, and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

District-Wide Statements - Equity Classifications
In the District-wide statements there are three classes of net position:

Net investment in capital assets - Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

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

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

Governmental Fund Financial Statements - Equity Classifications
In the fund basis statements there are five classifications of fund balance:

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory and prepaid items normally recorded in the School Lunch and General Funds. Total Nonspendable fund balance at June 30, 2025, amounted to $127,491.

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Capital Reserve

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

Debt Service Reserve

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 Reserve

According to General Municipal Law §6-p, all expenditures from this reserve must be used for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund in the restricted fund balance.

Retirement Contributions Reserve

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the BOE. This reserve is accounted for in the General Fund in the restricted fund balance. Effective as of April 1, 2019, a BOE may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the BOE may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Tax Certiorari Reserve

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Unemployment Insurance Reserve

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

Workers' Compensation Reserve

According to General Municipal Law §6-j, all expenditures made from the workers' compensation reserve fund must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by BOE action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund in the restricted fund balance.

Restricted fund balance includes the following:

General Fund:	
Capital Reserve	$ 3,360,629
Employee Benefit Accrued Liability Reserve	235,433
Retirement Contributions Reserve	1,653,706
Tax Certiorari Reserve	82,311
Unemployment Insurance Reserve	458,463
Workers' Compensation Reserve	748,845
Total General Fund	6,539,387
School Lunch Fund	4,369,131
Capital Projects Fund	141,117
Miscellaneous Special Revenue Fund	136,072
Total restricted fund balance	$ 11,185,707

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, the BOE. The District has not committed fund balances as of June 30, 2025.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Assigned fund balance - Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General fund are classified as assigned fund balance. Encumbrances reported in the General Fund amounted to $846,941. Appropriated fund balance in the General Fund amounted to $2,420,000. As of June 30, 2025, the District's General Fund encumbrances were classified as follows:

General support	$	74,226
Instruction		661,810
Pupil transportation		89,999
Employee benefits		20,906
Total	$	846,941

Unassigned fund balance - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation. At year-end, the District was in compliance with the 4% limitation.

Reclassifications
Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

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

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities
Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (Continued)

Statement of Revenues, Expenditures, and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds statement of revenues, expenditures, and changes in fund balance and the statement of activities fall into one of five broad categories.

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

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

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

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

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

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

Budgets

The District administration prepares a proposed budget for approval by the BOE for the General Fund. The voters of the District approved the proposed appropriation budget. Appropriations are adopted at the program line item level.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets (Continued)

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

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2025.

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

Encumbrances

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

5. CASH AND INVESTMENTS

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

At June 30, 2025, the reported amount of the District's deposits was $18,418,658 and the bank balance was $18,820,608. Of the bank balance, $1,000,000 was covered by federal depository insurance and $17,820,608 was covered by collateral held in the pledging bank's trust department in the District's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $7,537,817 within the governmental funds.

The District participates in the New York Liquid Asset Fund (NYLAF). NYLAF is a cooperative investment program established by participating New York school districts, municipal corporations, boards of cooperative educational services and fire districts. NYLAF was organized in accordance with Article 5-G of the New York General Municipal Law, as amended, and Article 3-A of the General Municipal Law.

5. CASH AND INVESTMENTS (Continued)

NYLAF's investment objective is to provide Participants with high current income consistent with the preservation of capital and the maintenance of liquidity while investing only in instruments authorized by the provisions of New York law that govern the temporary investment of funds by Municipal Corporations. NYLAF seeks to attain its investment objective by pursuing a professionally advised investment program consistent with the policies and restrictions described below. NYLAF seeks to maintain a rating of AAAm from Standard & Poor's ("S&P").

NYLAF percentage of assets by class:

	June 30, 2025
Repurchase agreements	8%
Bank products	21%
Treasury/agency securities	71%
Total	100%

The District's amount of NYLAF investments at market value as of June 30, 2025 was $6,655,940.

6. INTERFUND BALANCES AND ACTIVITY

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	$ 5,916,309	$ 7,894,829	$ 195,084	$ 475,077
Special Aid Fund	3,067,682	5,378,504	375,077	-
Capital Projects Fund	747,412	537,804	100,000	-
School Lunch Fund	4,335,379	255,645	-	195,084
Total	$ 14,066,782	$ 14,066,782	$ 670,161	$ 670,161

Interfund receivables and payables are eliminated on the statement of net position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

7. LEASES

The District leases copiers and equipment, primarily from BOCES. The leases have various inception dates with remaining terms of 36 - 61 months, with interest rates between 0.57% and 5.37%.

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

Beginning Balance	Additions	Subtractions	Ending Balance	Amount Due Within One Year
$ 1,136,472	$ 226,642	$ (503,306)	$ 859,808	$ 270,687

7. LEASES (Continued)

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

	Principal	Interest	Total
2026	$ 270,687	$ 14,688	$ 285,375
2027	275,309	10,066	285,375
2028	225,772	5,235	231,007
2029	59,100	2,686	61,786
2030	28,940	579	29,519
Total	$ 859,808	$ 33,254	$ 893,062

8. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	$ 966,214	$ -	$ -	$ 966,214
Construction in progress	280,504	172,326	-	452,830
Total nondepreciable assets	1,246,718	172,326	-	1,419,044
Capital assets that are being depreciated:				
Land improvements	1,260,266	-	-	1,260,266
Buildings and improvements	171,148,458	-	-	171,148,458
Furniture and equipment	6,060,084	45,308	(1,598)	6,103,794
Vehicles	7,253,726	41,479	(204,170)	7,091,035
Total depreciable assets	185,722,534	86,787	(205,768)	185,603,553
Accumulated depreciation:				
Land improvements	(1,250,832)	(3,101)	-	(1,253,933)
Buildings and improvements	(57,968,996)	(3,106,879)	-	(61,075,875)
Furniture and equipment	(3,699,969)	(299,443)	-	(3,999,412)
Vehicles	(4,993,197)	(468,785)	204,170	(5,257,812)
Total accumulated depreciation	(67,912,994)	(3,878,208)	204,170	(71,587,032)
Total depreciable assets, net	117,809,540	(3,791,421)	(1,598)	114,016,521

8. CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Leased assets that are amortized:				
Equipment	3,164,966	118,824	(776,881)	2,506,909
Vehicle	219,959	-	-	219,959
Total lease assets that are amortized	3,384,925	118,824	(776,881)	2,726,868
Less accumulated amortization:				
Equipment	(1,350,562)	(755,983)	776,881	(1,329,664)
Vehicle	(36,059)	(43,271)	-	(79,330)
Total accumulated amortization	(1,386,621)	(799,254)	776,881	(1,408,994)
Total lease assets, net	1,998,304	(680,430)	-	1,317,874
Governmental activities capital assets, net	$ 121,054,562	$ (4,299,525)	$ (1,598)	$ 116,753,439

Depreciation and amortization were charged to governmental activities as follows:

	Depreciation	Amortization
General government support	$ 1,631,853	$ 52,795
Instruction	1,787,266	746,459
School lunch	459,089	-
Total	$ 3,878,208	$ 799,254

9. LONG-TERM LIABILITIES

Long-term liability balances and activity are summarized as of June 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in One Year
General obligation debt:					
Energy performance contract	$ 2,031,069	$ -	$ (386,351)	$ 1,644,718	$ 395,603
Serial bonds	47,525,000	-	(4,360,000)	43,165,000	5,025,000
Bond premiums	4,092,475	-	(207,942)	3,884,533	-
Total general obligation debt	$ 53.648.544	$ -	$ (4,954,293)	$ 48,694,251	$ 5,420,603

9. LONG-TERM LIABILITIES (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in One Year
Other liabilities					
Compensated absences	$ 4,296,500	$ 185,792	$ -	$ 4,482,292	$ 1,122,999
Longevity Incentive	4,924,500	98,000	-	5,022,500	601,475
Total other liabilities	$ 9,221,000	283,792	$ -	$ 9,504,792	$ 1,724,474

Interest for the year was composed of:

General obligation debt interest paid	$ 2,096,461
Lease interest paid	21,928
Less: Amortization of bond premium	(207,942)
Less: Interest accrued in the prior year	(165,000)
Plus: Bond interest accrued in the current year	84,141
Plus: Lease interest accrued in the current year	4,562
Total interest expense	$ 1,834,150

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

General Obligation Debt	Original Issue Date	Final Maturity	Interest Rate	6/30/2025 Balance
Energy performance contract	7/1/2013	4/1/2028	2.38%	$ 1,644,718
Refunding serial bond, 2014 – Series A	10/1/2014	7/1/2026	2.00% - 5.00%	2,675,000
Refunding serial bond, 2014 – Series B	10/1/2014	7/1/2026	2.00% - 5.00%	265,000
2016 Serial Bond	7/1/2016	6/1/2031	2.00% - 3.00%	8,200,000
2024 Serial Bond	6/18/2024	10/1/2038	5.00%	32,025,000
Total bond issues				$ 44,809,718

The following is a summary of the maturity of long-term indebtedness as of June 30:

	Serial Bonds			Energy Performance Contracts		
	Principal	Interest	Total	Principal	Interest	Total
2026	$ 5,025,000	$ 1,902,475	$ 6,927,475	$ 395,603	$ 39,149	$ 434,752
2027	4,885,000	1,719,384	6,604,384	405,019	29,734	434,753
2028	3,460,000	1,545,957	5,005,957	844,096	25,207	869,303
2029	3,595,000	1,389,900	4,984,900	-	-	-
2030	3,690,000	1,249,475	4,939,475	-	-	-
2031-2035	14,280,000	4,123,600	18,403,600	-	-	-
2036-2040	8,230,000	775,250	9,005,250	-	-	-
Total	$ 43,165,000	$ 12,706,041	$ 55,871,041	$ 1,644,718	$ 94,090	$ 1,738,808

10. PENSION PLANS

Description of Plan

The District participates in the New York State and Local Employee's Retirement System (ERS). The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to ERS.

ERS benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

This is a cost-sharing, multiple-employer, defined benefit pension plan. The Public Employees' Group Life Insurance Plan (GLIP) provides death benefits in the form of life insurance. GLIP amounts are appropriated to and included in the ERS. ERS is included in the State's financial report as a pension trust fund. That report, including information regarding benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The significant dates shown below are referenced throughout the ERS section of this footnote:

- Fiscal year end – June 30, 2025
- Measurement date – March 31, 2025
- Actuarial valuation date – April 1, 2024

Membership Tiers

Membership, benefits, and employer and employee obligations to contribute are described in the RSSL using the tier concept. Pension legislation established tier membership by the date a member last joined ERS. They are as follows:

Tier 1	Those persons who last became members of ERS before July 1, 1973.
Tier 2	Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
Tier 3	Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
Tier 4	Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
Tier 5	Those persons who last became members of ERS on or after January 1, 2010, but before April 1, 2012.
Tier 6	Those persons who first became members of ERS on or after April 1, 2012.

Vesting

All Members are vested when they reach five years of service credit.

10. PENSION PLANS (Continued)

Employer Contributions

Participating employers are required under the RSSL to contribute to ERS at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2025 was approximately 15.2 percent of covered payroll. Delinquent annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2025, the applicable interest rate was 5.9 percent. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS
2025	$ 1,696,275
2024	$ 1,395,651
2023	$ 1,095,890

Member Contributions

Generally, Tier 3, 4, and 5 members must contribute 3 percent of their salary to ERS. As a result, of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with ERS, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

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

At year end, a net pension liability of $5,138,954 for its proportionate share of the ERS total pension liability was reported. The net pension liability is determined as of the measurement date, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation date. The proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At the measurement date, the proportion was 0.0299722%, which was a decrease of 0.001118% from the proportionate share of 0.0310902% as of the prior year measurement date.

As of the fiscal year end, pension expense of $1,497,117 was recognized and the deferred outflows/inflows of resources related to pensions from the following sources were reported:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,275,523	$ 60,167
Changes of assumptions	215,518	-
Net difference between projected and actual earnings on pension plan investments	403,188	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	826,045	107,407
Contributions subsequent to the measurement date	540,920	-
Total	$ 3,261,194	$ 167,574

10. PENSION PLANS (Continued)

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

The net amount of the share of balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year End:	
2026	$ 1,194,183
2027	1,542,318
2028	(262,681)
2029	78,880
	$ 2,552,700

At fiscal year end, $540,920 was recognized as a deferred outflow of resources related to pensions resulting from the contributions made subsequent to the measurement date. This outflow will be recognized as a reduction of the net pension liability in the following fiscal year.

Actuarial Assumptions

The total pension liability at the measurement date was determined by using an actuarial valuation as of the actuarial valuation date. Update procedures were used by the actuary to roll forward the total pension liability to be as of the measurement date.

Economic assumptions used in the actuarial valuation date include:

Actuarial cost method	Aggregate Cost Method
Inflation	2.9%
Salary increases	4.3%
Investment rate of return (net of investment expense, including inflation)	5.9%
Active member decrements	1.5%

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

To set the long-term expected rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) 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.

Demographic assumptions used in the actuarial valuation date are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 – March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

10. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations in %	Long-term expected rate of return in %
Domestic equity	25.0	3.54
International equity	14.0	6.57
Private equity	15.0	7.25
Real estate	12.0	4.95
Opportunistic/ARS portfolio	3.0	5.25
Credit	4.0	5.40
Real assets	4.0	5.55
Fixed Income	22.0	2.00
Cash	1.0	0.25
	100.0	

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

Sensitivity of the Proportionate Share of the Net Pension (Asset) Liability to the Discount Rate Assumption
The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Proportionate share of Net Pension Liability (asset)	$ 14,872,781	$ 5,138,954	$ (2,988,797)

Pension Plan Fiduciary Net Position
The components of the current-year net pension liability (in 000's) of the employers as of the measurement date were as follows:

	ERS
Employers' total pension liability	$247,600,239
Fiduciary net position	230,454,512
Employers' net pension liability	$ 17,145,727
Fiduciary net position as a percentage of total pension liability	93.08%

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (NYSTRS). NYSTRS is a public employee retirement system (PERS) that was created and exists, pursuant to Article 11 of the New York State Education Law. NYSTRS is the administrator of a cost-sharing, mutiple-employer, defined benefit plan, administered by a 10-member Board to Provide pension benefits for teachers employed in New York, excluding New York City. NYSTRS issues a publicly available Annual Comprehensive Final Report. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

The significant dates shown below are referenced throughout the NYSTRS section of this footnote:

- Fiscal year end – June 30, 2025
- Measurement date – June 30, 2024
- Actuarial valuation date – June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024

Benefits

The benefits provided to members of the System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1	Members who last joined prior to July 1,1973, are covered by the provisions of Article 11 of the Education Law.
Tier 2	Members who last joined on or after July 1, 1973, and prior to July 27, 1976, are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).
Tier 3	Members who last joined on or after July 27, 1976, and prior to September 1, 1983, are covered by the provisions of Article 14 and Article 15 of the RSSL.
Tier 4	Members who last joined on or after September 1, 1983, and prior to January 1, 2010, are covered by the provisions of Article 15 of the RSSL.
Tier 5	Members who joined on or after January 1, 2010, and prior to April 1, 2012, are covered by the provisions of Article 15 of the RSSL.
Tier 6	Members who joined on or after April 1, 2012, are covered by the provisions of Article 15 of the RSSL.

Employer Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. The actuarially determined contribution rate applied to 2023-24 salaries is 9.76%. The required contribution is an actuarially determined rate. The contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current plan year and two preceding plan years were:

		TRS
2024	$	3,744,387
2023	$	3,832,737
2022	$	3,458,522

10. PENSION PLANS (Continued)

Member Contributions

Tier 3 and Tier 4 members are required by law to contribute 3.0% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3.0% and 6.0% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than five years of credited service for Tiers 3 -6, the member contributions with interest calculated at 5.0% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

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

At fiscal year end, a net pension asset of $6,102,018 was reported for the proportionate share of the NYSTRS total pension liability. The net pension asset as of the measurement date, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation date. The proportion of the net pension asset was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At the measurement date, the proportionate share was 0.204518%, which was an increase of 0.002845% from the prior measurement date.

For the fiscal year end, pension expense of $3,231,745 was recognized and deferred outflows/inflows of resources related to pensions from the following sources were reported:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,570,752	$ -
Changes of assumptions	3,650,243	614,005
Net difference between projected and actual earnings on pension plan investments	-	6,779,862
Changes in proportion and differences between the District's contributions and proportionate share of contributions	5,953	472,978
Contributions subsequent to the measurement date	3,951,470	-
Total	$ 14,178,418	$ 7,866,845

At fiscal year end, $3,951,470 was recognized as a deferred outflow of resources related to pensions resulting from the contributions made subsequent to the measurement date.

10. PENSION PLANS (Continued)

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

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

Fiscal year ending:	
2025	$ (3,268,187)
2026	7,342,131
2027	(1,327,707)
2028	(1,436,934)
2029	756,314
Thereafter	294,486
	$ 2,360,103

Actuarial Assumptions

The total pension liability at the measurement date was determined by an actuarial valuation with update procedures used to roll forward the total pension liability to the measurement date, using the following actuarial valuations and assumptions:

Actuarial cost method	Entry age normal
Inflation	2.40%
Projected salary increases	Rates for increase differ based on service. They have been calculated based upon recent NYSTRS member experience.
	Service / Rate
	5 / 5.18%
	15 / 3.64%
	25 / 2.50%
	35 / 1.95%
Projected COLAs	1.3% compounded annually.
Investment rate of return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant and active mortality rates based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis.

The demographic actuarial assumptions and the salary scales are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions. For the full details, please refer to the Recommended Actuarial Assumptions 2021 Report, which can be found on the System's website located at www.nystrs.org.

10. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

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

The Long-Term Expected Real Rates of Return are presented by asset allocation classification. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target asset allocation as of the measurement date are summarized in the following table:

Asset Class:	Target Allocation in %	Long-Term Expected Real Rate of Return in %*
Domestic equity	33	6.6
International equity	15	7.4
Global equity	4	6.9
Real estate equity	11	6.3
Private equity	9	10.0
Domestic fixed income	16	2.6
Global bonds	2	2.5
Private debt	2	5.9
Real estate debt	6	3.9
High-yield bonds	1	4.8
Cash equivalents	1	0.5
	100	

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

Discount Rate

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

10. PENSION PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate
The following presents the net pension liability (asset) of the NYSTRS participant calculated using the discount rate of 6.95%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

1% Decrease 5.95%	Current Discount 6.95%	1% Increase 7.95%
$ 28,185,571	$ (6,102,018)	$ (34,938,800)

Pension Plan Fiduciary Net Position (in 000's)
The components of the current year net pension liability (asset) of the participating employers as of measurement date are as follows:

Total pension liability	$ 142,837,826
Plan fiduciary net position	145,821,434
Net pension liability (asset)	$ (2,983,608)
Plan fiduciary net position as a percentage of total pension liability	102.1%

11. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Plan Description
The District maintains a single-employer defined benefit Other Postemployement Benefit Plan (OPEB). The healthcare plan (the Plan) provides for continuation of medical insurance for certain District retirees and their spouses. Employees must be eligible to retire under their respective State retirement systems and have completed at least 10 years of service with the District. Members of the District's administrative bargaining unit who retired prior to June 30, 2007 receive paid health insurance until age 65. Upon reaching age 65, these retirees must enroll in Medicare B. The District reimburses Medicare B premiums and pays the full cost of a Medicare advantage health insurance plan. The District also provides these retirees $100,000 of life insurance coverage to age 70. The Plan has no assets, does not issue financial statements, and is not a trust that meets the criteria in paragraph 4 of Statement 75.

Actuarial valuation calculations must be based on the "substantive plan," which is the plan as understood by the employer and the employees. The substantive plan reflects the design as written in the plan document(s), past practices with regard to plan changes (such as consistent modifications to the level of retiree contributions or deductibles), and formal policy with regard to ongoing changes. Expected changes in plan benefits do not become part of the substantive plan until adopted, communicated to employees, and ratified by any necessary union entities.

Employees Covered by Benefit Terms
At June 30, 2025, valuation date, the following employees were covered by the benefit terms:

Active employees, not eligible to retire	564
Active employees, eligible to retire	198
Retiree and surviving spouses	88
Retiree spouses covered	39
Total	889

11. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

Total OPEB Liability
The District's total OPEB liability of $7,645,415 was measured as of March 31, 2025 and was determined by an actuarial valuation as of March 31, 2025.

Actuarial Assumptions and Other Inputs
The total OPEB liability as of June 30, 2025 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	5.30% to an ultimate rate of 3.71% after 2070
Salary increases	3.30%
Mortality	Mortality Improvement Scale MP-2021 for retirees and surviving spouses
Discount rate	4.39% based on the Fidelity Municipal GO AA 20-Year Bond rate as of the measurement date
Inflation rate	2.30%

Changes in the Total OPEB Liability

Balance at June 30, 2024	$ 6,349,156
Changes for the year:	
Service cost	69,680
Interest	236,556
Changes of benefit terms	159,555
Differences between expected and actual experience	1,479,889
Changes of assumptions or other inputs	(174,199)
Benefit payments	(475,222)
Net changes	1,296,259
Balance at June 30, 2025	$ 7,645,415

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
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 (3.39%)	Discount Rate (4.39%)	1.0% Increase (5.39%)
Total OPEB liability	$ 8,307,865	$ 7,645,415	$ 7,070,832

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates
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 (4.30% to 2.71%)	Healthcare Cost Trend Rate (5.30% to 3.71%)	1.0% Increase (6.30% to 4.71%)
Total OPEB liability	$ 7,024,370	$ 7,645,415	$ 8,363,311

11. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

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

For the year ended June 30, 2025, the District recognized OPEB expense of $526,763. 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	$ 1,464,366	$ 270,535
Changes of assumptions or other inputs	-	609,297
Benefit payments subsequent to measurement date	118,806	-
Total	$ 1,583,172	$ 879,832

The net amount of deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30	
2026	$ 72,135
2027	54,167
2028	46,477
2029	46,477
2030	46,477
Thereafter	318,801
Total	$ 584,534

12. RISK MANAGEMENT

General

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

Health Insurance

The District participates in the NY44 Health Benefits Plan Trust (the Plan). The Plan has been established to administer a health insurance program to lower the costs of such coverage for the 19 participating members as of June 30, 2024 (the most recent information available).

The District has transferred all 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. Refunds are not made nor additional assessments charged other than the annual premium equivalents. If the Plan's assets were to be exhausted, members would be equally responsible for the remaining liabilities.

The Plan has published its own financial report for the year ended June 30, 2024, which can be obtained from Erie 1 BOCES, 355 Harlem Road, West Seneca, New York 14224.

12. RISK MANAGEMENT (Continued)

Workers' Compensation

The District is self-insured for workers' compensation and contracts with a third party to administer the plan. The third-party administrator tracks and identifies all cases and prepares a monthly statement for the District. Payments are made as cases are settled and closed. The District maintains excess insurance coverage that limits their self-insured rate to $600,000 per incident and $1,000,000 in the aggregate. The general fund includes a reserve in the amount of $877,000 to cover any unexpected charges or changes in claims. All expected losses have been accrued on the government-wide statements.

Claims activity for this plan is as follows:

	Beginning of Year	Current Claims and Changes in Estimates	Claims Paid	End of Year
2025	$ 577,030	$ 343,686	$ (445,327)	$ 475,389
2024	$ 606,944	$ 335,973	$ (365,887)	$ 577,030
2023	$ 649,851	$ 911,473	(954,380)	$ 606,944

13. CONTINGENCIES AND COMMITMENTS

Litigation

The District is subject to claims and lawsuits that arise in the ordinary course of business. In the opinion of management, these claims and lawsuits will not have a material adverse effect upon the financial position of the District.

Separate from claims and lawsuits that arise in the ordinary course of business, legislation was put in place regarding historical claims that were previously time-barred. The Child Victims Act, as amended, allowed any individual who was a minor at the time they suffered any alleged sexual abuse to file a lawsuit before August 14, 2021 regardless of when the alleged abuse occurred. This has resulted in the filing of thousands of lawsuits State-wide. Lawsuits have been initiated against the District by former students who allege that inappropriate sexual contact occurred between them and employees of the District between 30 and 50 years ago. The District has retained counsel and expects insurance is available for some of these claims. As of the report date of the financial statements, the District's exposure to these claims has not been determined.

Grants

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

14. TAX ABATEMENTS

The District is subject to tax abatements granted by the Town of Amherst Industrial Development Agency (AIDA). AIDA is a public benefit corporation created by an act of the New York State Legislature to promote and assist private section industrial and business development. Through AIDA, companies promised to expand or maintain facilities or employment within the Town of Amherst (the Town), to establish a new business within the Town, or to relocate an existing business to the Town. Economic development agreements entered into by AIDA can include the abatement of county, town, and school district taxes, in addition to other assistance. In the case of the District, these abatements have resulted in reductions of property taxes, which the District administers as a temporary reduction in the assessed value of the property involved. The abatement agreement stipulates a percentage reduction of property taxes, which can be as much as 100%. For the year ended June 30, 2025, the impact of tax abatements amounted to $1,277,212.

15. CORRECTION OF AN ERROR

In the June 30, 2024 financial statements, the District reported extraclassroom activities in the amount of $136,939 as part of the fiduciary fund. However, in the current year it was determined that the extraclassroom activities as of June 30, 2024, should have been reported in the miscellaneous special revenue fund. The impact of the error was an understatement of the fund balance and net position in the amount of $136,939 in the miscellaneous special revenue fund and the governmental activities respectively. Additionally, the error was an overstatement of net position in the amount of $136,939 in the fiduciary fund. Therefore, a restatement was recorded in the miscellaneous special revenue fund, governmental activities, and fiduciary fund for $136,939.

	Governmental Funds - Net Position	Miscellaneous Special Revenue Fund - Net Position	Fiduciary Fund - Net Position
Balance at July 1, 2024, as previously reported	$76,804,959	$ -	$ 136,539
Adjustments:			
Correction of an error related to extraclassroom activities	$ 136,939	136,939	(136,539)
Balance at July 1, 2024, as restated	$76,941,989	$ 136,939	$ -

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SWEET HOME CENTRAL SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Unaudited)
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance With Budgetary Actual
REVENUES					
Real property taxes and tax items	$ 59,873,075	$ 59,873,075	60,363,556	$ -	$ 490,481
Charges for services	745,000	745,000	570,338	-	(174,662)
Use of money and property	730,000	730,000	1,269,790	-	539,790
Sale of property and compensation for loss	130,000	130,000	88,666	-	(41,334)
Miscellaneous	160,000	160,000	180,481	-	20,481
State sources	34,752,000	34,752,000	36,413,125	-	1,661,125
Medicaid reimbursement	200,000	200,000	389,946	-	189,946
Total revenues	96,590,075	96,590,075	99,275,902	-	2,685,827
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	50,660	51,585	53,256	574	(2,245)
Central administration	302,697	317,179	328,508	44	(11,373)
Finance	570,184	672,629	662,791	1,389	8,449
Staff	864,360	708,278	601,622	16,244	90,412
Central services	6,941,039	6,553,654	6,470,955	51,003	31,696
Special items	863,776	913,532	846,857	4,972	61,703
Total general support	9,592,716	9,216,857	8,963,989	74,226	178,642
INSTRUCTION:					
Instruction, administration, and improvement	35,477,044	36,114,157	36,588,299	132,192	(606,334)
Programs for children with handicapping conditions	10,269,131	10,740,197	10,584,564	522,653	(367,020)
Occupational education	1,935,401	2,000,176	1,994,647	900	4,629
Instructional media	1,913,875	1,891,541	1,589,179	3,815	298,547
Pupil services	3,923,312	4,001,116	4,112,665	2,250	(113,799)
Total instruction	53,518,763	54,747,187	54,869,354	661,810	(783,977)
Pupil transportation	7,337,733	7,834,575	7,856,008	89,999	(111,432)
Community services	47,500	47,500	14,060	-	33,440
Employee benefits	21,917,795	21,500,441	21,596,566	20,906	(117,031)
Debt service	7,368,046	7,368,046	7,368,046	-	-
Total expenditures	99,782,553	100,714,606	100,668,023	846,941	(800,358)
Excess (deficiency) of revenue over expenditures	(3,192,478)	(4,124,531)	(1,392,121)	(846,941)	1,885,469
OTHER FINANCING SOURCES (USES):					
Use of reserves	3,820,350	3,820,350	-	-	(3,820,350)
Proceeds from issuance of leases	-	-	226,642	-	226,642
Transfers in	-	-	195,084	-	195,084
Transfers out	(260,000)	(260,000)	(475,077)	-	(215,077)
Total other financing sources (uses)	3,560,350	3,560,350	(53,351)	-	(3,613,701)
CHANGE IN FUND BALANCES	$ 367,872	$ (564,181)	(1,445,472)	$ (846,941)	$ (1,728,232)
FUND BALANCE - beginning of year			14,842,936		
FUND BALANCE - end of year			$ 13,397,464		

SWEET HOME CENTRAL SCHOOL DISTRICT

Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios (Unaudited)
For the Year Ended June 30:

	Last 10 Fiscal Years (in 000's)*								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	$ 69,680	$ 72,504	$ 84,597	$ 95,093	$ 110,064	$ 92,682	$ 59,454	$ 58,455	$ 57,051
Interest	236,556	231,953	204,128	170,135	191,107	244,816	206,768	220,276	187,461
Changes of benefit terms	159,555	-	-	-	-	-	-	-	-
Differences between expected and actual experience	1,479,889	114,909	(412,921)	264,346	(199,584)	(204,899)	1,535,179	(161,875)	539,304
Changes of assumptions or other inputs	(174,199)	(134,018)	(484,495)	(387,124)	92,906	769,658	(89,472)	92,094	(275,034)
Benefit payments	(475,222)	(455,922)	(413,885)	(390,496)	(330,453)	(356,076)	(279,033)	(309,300)	(297,275)
Net change in total OPEB liability	1,296,259	(170,574)	(1,022,576)	(248,046)	(135,960)	546,181	1,432,896	(100,350)	211,507
Total OPEB liability - beginning	6,349,156	6,519,730	7,542,306	7,790,352	7,926,312	7,380,131	5,947,235	6,047,585	5,836,078
Total OPEB liability - ending	$ 7,645,415	$ 6,349,156	$ 6,519,730	$ 7,542,306	$ 7,790,352	$ 7,926,312	$ 7,380,131	$ 5,947,235	$ 6,047,585
Covered-employee payroll	$ 51,042,231	$ 46,566,783	$ 44,979,023	$ 42,602,917	$ 41,317,929	$ 39,795,595	$ 38,795,595	$ 37,907,285	$ 37,907,285
Total OPEB liability as a percentage of covered-employee payroll	14.98%	13.6%	14.5%	17.7%	18.9%	19.9%	19.0%	15.7%	16.0%

Notes to schedule:

Changes of assumptions and other inputs reflect the following:

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

Discount rate	4.39%	3.98%	3.78%	2.83%	2.27%	2.48%	3.44%	3.61%	3.80%

- The salary scale changed from 3.42% to 3.30%.
- Updated healthcare cost trend rates.

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

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

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

SWEET HOME CENTRAL SCHOOL DISTRICT

Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)
For the Year Ended June 30:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (in 000's)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability/asset	0.02997%	0.03109%	0.025960%	0.025144%	0.024145%	0.025131%	0.024908%	0.248410%	0.026264%	0.028169%
Proportionate share of the net pension liability (asset)	$ 5,139	$ 4,578	$ 5,567	$ (2,055)	$ 24	$ 6,655	$ 1,765	$ 802	$ 2,468	$ 4,521
Covered-employee payroll	$ 12,849	$ 11,546	$ 9,925	$ 9,539	$ 9,966	$ 9,717	$ 9,386	$ 9,231	$ 9,243	$ 9,041
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	40.00%	39.65%	56.09%	-21.54%	0.24%	68.49%	18.80%	8.69%	26.70%	50.01%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (in 000's)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability/asset	0.204518%	0.201673%	0.199240%	0.195496%	0.188911%	0.185622%	0.186126%	0.186432%	0.185997%	0.182954%
Proportionate share of the net pension liability (asset)	$ (6,102)	$ 2,306	$ 3,823	$ (33,878)	$ 5,220	$ (4,822)	$ (3,366)	$ (1,417)	$ 1,992	$ (19,003)
Covered-employee payroll	$ 39,270	$ 37,247	$ 35,291	$ 33,182	$ 32,064	$ 30,983	$ 30,318	$ 29,543	$ 28,701	$ 27,906
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15.54%	6.19%	10.83%	-102.10%	16.28%	-15.56%	-11.10%	-4.80%	6.94%	-68.10%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.10%	99.17%	98.57%	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%

SWEET HOME CENTRAL SCHOOL DISTRICT

Schedule of Contributions - Pension Plans (Unaudited)
For the Year Ended June 30:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (in 000's)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,696	$ 1,396	$ 1,096	$ 1,485	$ 1,412	$ 1,392	$ 1,366	$ 1,391	$ 1,415	$ 1,664
Contributions in relation to the contractually required contribution	1,696	1,396	1,096	1,485	1,412	1,392	1,366	1,391	1,415	1,664
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 12,849	$ 11,546	$ 9,925	$ 9,539	$ 9,966	$ 9,717	$ 9,386	$ 9,231	$ 9,243	$ 9,041
Contributions as a percentage of covered-employee payroll	13.20%	12.09%	11.04%	15.57%	14.17%	14.33%	14.55%	15.07%	15.31%	18.41%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (in 000's)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 3,811	$ 3,744	$ 3,833	$ 3,459	$ 3,162	$ 2,841	$ 3,290	$ 2,971	$ 3,462	$ 3,806
Contributions in relation to the contractually required contribution	3,811	3,744	3,833	3,459	3,162	2,841	3,290	2,971	3,462	3,806
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 39,270	$ 37,247	$ 35,291	$ 33,182	$ 32,064	$ 30,983	$ 30,318	$ 29,543	$ 28,701	$ 27,906
Contributions as a percentage of covered-employee payroll	9.70%	10.05%	10.86%	10.42%	9.86%	9.17%	10.85%	10.06%	12.06%	13.64%

OTHER INFORMATION (UNAUDITED)

SWEET HOME CENTRAL SCHOOL DISTRICT

Schedule of Change from Original to Final Budget and Calculation of Unrestricted Fund Balance Limit - General Fund
For the Year Ended June 30, 2025

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget		$ 100,042,553
Add: Prior year's encumbrances		917,808
Original budget		100,960,361
Budget revisions		14,245
Final budget		$ 100,974,606

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 voter-approved expenditure budget	$ 105,576,012	
Maximum allowed (4% of 2025-2026 budget)		$ 4,223,040

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

Unrestricted fund balance:		
Assigned fund balance	$ 3,266,941	
Unassigned fund balance	3,591,136	
Total unrestricted fund balance	6,858,077	
Less:		
Appropriated fund balance	2,420,000	
Encumbrances included in assigned fund balance	846,941	
Total adjustments	$ 3,266,941	
General Fund Balance Subject to Section 1318 of Real Property Tax Law:		$ 3,591,136
Actual percentage		3.40%

SWEET HOME CENTRAL SCHOOL DISTRICT

Schedule of Capital Project Expenditures
For the Year Ended June 30, 2025

			Expenditures				Methods of Financing				
Project Title	Original Appropriation	Revised Appropriation	Prior Year's	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total Financing	Fund Balance as of 6/30/2025
2020 Smart Schools Bond Act	$ 1,095,930	$ 1,400,700	$ 615,204	$ 72,525	$ 687,729	$ 712,971	$ -	$ 593,722	$ -	$ 593,722	$ (94,007)
Vehicle Purchases	500,000	500,000	498,001	-	498,001	1,999	-	-	500,000	500,000	1,999
Capital Outlay Project - 2025	100,000	100,000	-	-	-	100,000	-	-	100,000	100,000	100,000
Capital Outlay Project - 2024	100,000	100,000	-	-	-	100,000	-	-	100,000	100,000	100,000
Capital Outlay Project - 2023	100,000	100,000	-	99,801	99,801	199	-	-	100,000	100,000	199
Capital Outlay Project - 2022	100,000	100,000	92,407	-	92,407	7,593	-	-	100,000	100,000	7,593
Capital Outlay Project - 2021	100,000	100,000	81,682	-	81,682	18,318	-	-	100,000	100,000	18,318
Capital Outlay Project - 2020	100,000	100,000	93,293	-	93,293	6,707	-	-	100,000	100,000	6,707
Interest	-	-	-	-	-	-	-	-	308	308	308
	$ 2,195,930	$ 2,500,700	$ 1,380,587	$ 172,326	$ 1,552,913	$ 947,787	$ -	$ 593,722	$ 1,100,308	$ 1,694,030	$ 141,117

SWEET HOME CENTRAL SCHOOL DISTRICT

Schedule of Net Investment in Capital Assets (Unaudited)
June 30, 2025

Capital assets, net	$ 116,753,439
Deduct:	
Bonds payable	(43,165,000)
Energy performance contract	(1,644,718)
Lease liability	(859,808)
Premium on bonds	(3,884,533)
Net investment in capital assets	$ 67,199,380

Bonadio & Co., LLP
Accounting, Consulting & More

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

October 9, 2025

To the Board of Education of the
Sweet Home Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Sweet Home 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 9, 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 considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

171 Sully's Trail
Pittsford, NY 14534
p (585) 381-1000
f (585) 381-3131

www.bonadio.com

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

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

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

Bonadio & Co., LLP