ORISKANY CENTRAL
SCHOOL DISTRICT

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2026

ORISKANY CENTRAL SCHOOL DISTRICT
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Independent Auditor's Report

Board of Education
Oriskany Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oriskany Central School District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Oriskany Central School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oriskany Central School District, as of June 30, 2026, 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 Oriskany Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Oriskany Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Oriskany Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oriskany Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oriskany Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2026, on our consideration of the Oriskany Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Oriskany Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oriskany Central School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

September 22, 2026

Rome, New York

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

200 E. Garden St., P.O.Box 4300, Rome, N.Y. 13442-4300
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Education
Oriskany Central School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oriskany Central School District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Oriskany Central School District's basic financial statements, and have issued our report thereon dated September 22, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo + Co., LLP

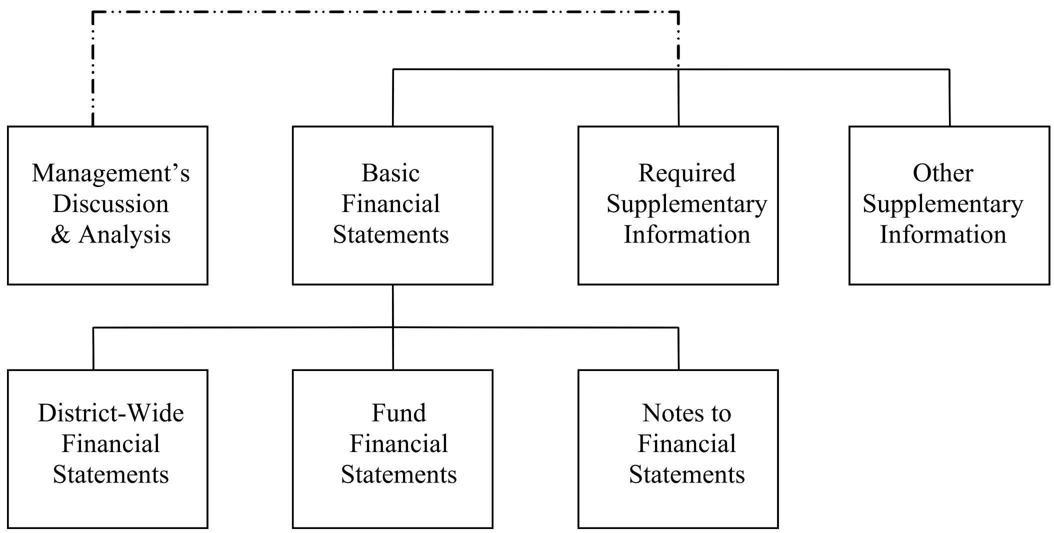
September 22, 2026

Rome, New York

The Oriskany Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2026 and 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

1. OVERVIEW OF THE FINANCIAL STATEMENTS

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



A. District-wide Financial Statements

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

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

The Statement of Net Position

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

The Statement of Activities

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

B. Fund Financial Statements

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

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

Governmental Funds

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

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

The District maintains six individual governmental funds. General Fund, Special Aid Fund, Debt Service Fund and Capital Projects Fund are reported as major government funds and are presented separately in the governmental fund statements. School Lunch Fund, and Miscellaneous Special Revenue Fund are reported collectively as non-major governmental funds.

Fiduciary Funds

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

2. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The School District's total net position increased by $1,533,728 between fiscal year 2026 and 2025. A summary of the School District's Statement of Net Position at June 30, 2026 and 2025 is as follows:

	2026	2025	Increase (Decrease)	Percentage Change
Current and Other Assets	$ 14,205,277	$ 13,331,139	$ 874,138	6.6%
Capital and Leased Assets, Net	26,509,308	26,975,195	(465,887)	(1.7%)
Total Assets	40,714,585	40,306,334	408,251	1.0%
Deferred Outflows of Resources				
OPEB	2,535,585	1,866,608	668,977	35.8%
Pensions	2,216,673	2,239,224	(22,551)	(1.0%)
Total Deferred Outflows of Resources	4,752,258	4,105,832	646,426	15.7%
Total Assets and Deferred Outflows of Resources	$ 45,466,843	$ 44,412,166	$ 1,054,677	2.4%
Current and Other Liabilities	$ 1,049,186	$ 901,130	$ 148,056	16.4%
Non-Current Liabilities	38,614,690	37,368,118	1,246,572	3.3%
Total Liabilities	39,663,876	38,269,248	1,394,628	3.6%
Deferred Inflows of Resources				
OPEB	6,192,906	8,677,949	(2,485,043)	(28.6%)
Pensions	1,561,714	950,350	611,364	64.3%
Total Deferred Inflows of Resources	7,754,620	9,628,299	(1,873,679)	(19.5%)
Net Position				
Net Investment in Capital Assets	12,854,117	12,844,801	9,316	0.1%
Restricted	9,212,823	9,303,717	(90,894)	(1.0%)
Unrestricted (Deficit)	(24,018,593)	(25,633,899)	1,615,306	6.3%
Total Net Position (Deficit)	(1,951,653)	(3,485,381)	1,533,728	44.0%
Total Liabilities, Deferred Inflows, and Net Position	$ 45,466,843	$ 44,412,166	$ 1,054,677	

Current and other assets increased by $874,138, as compared to the prior year primarily due to increases in the School District's cash balances and in the net pension asset – proportionate share for TRS offset by decreases in receivables from other governments.

Capital and leased assets decreased by $465,887 as compared to the prior year. This decrease is mainly due to depreciation and amortization expense exceeding capital outlays during the year. Note 6 to the Financial Statements provides additional information.

Current liabilities increased by $148,056, as compared to the prior year. The primary reason for the increase was due to increased accrued liabilities related to employee benefits.

Non-current liabilities increased by $1,246,572, as compared to the prior year. This is primarily due to an increase in the OPEB liability, offset by payments of bond principal of $1,005,000 and decreases in the total pension liability for ERS.

The deferred outflows and inflows change resulted in a net increase in net position of $2,520,105. These financial statement elements mainly consist of actuarial determined adjustments to the School District's proportionate share of the net pension asset or liability and the OPEB liability for items such as changes in assumptions and differences between actual and projected experience.

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

The restricted portion of net position at June 30, 2026, is comprised of amounts with constraints placed on the use either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Note 1 to the Basic Financial Statements provides further descriptions and detailed balances.

The unrestricted net position at June 30, 2026 is a deficit of $24,018,593, which represents the amount by which the School District's liabilities and deferred inflows of resources, exceeded its assets and deferred outflows of resources (excluding capital and leased assets net of related debt and restricted assets).

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other real property tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2026 and 2025 is as follows:

Revenues	2026		2025		Increase (Decrease)	Percentage Change
Program Revenues						
Charges for Services	$	0.0%	$ 19,583	0.1%	$ (19,583)	(100.0%)
Operating Grants	651,752	3.4%	838,286	4.7%	(186,534)	(22.3%)
General Revenues		0.0%		0.0%		
Property Taxes and STAR	7,595,237	40.2%	7,211,079	40.0%	384,158	5.3%
State and Federal Sources	9,359,485	49.5%	9,076,459	50.4%	283,026	3.1%
Other	1,266,222	6.7%	878,230	4.9%	387,992	44.2%
Total Revenues	18,892,696	100.0%	18,023,637	100.0%	869,059	4.8%
Expenses						
General Support	3,231,087	18.6%	2,986,617	18.3%	244,470	8.2%
Instruction	12,128,038	69.9%	10,920,818	67.0%	1,207,220	11.1%
Pupil Transportation	1,236,981	7.1%	1,273,162	7.8%	(36,181)	(2.8%)
Community Service	9,775	0.1%	10,453	0.1%	(678)	(6.5%)
Debt Service-Unallocated Interest	686,184	4.0%	991,652	6.1%	(305,468)	(30.8%)
Food Service Program	66,903	0.4%	126,165	0.8%	(59,262)	(47.0%)
Total Expenses	17,358,968	100.0%	16,308,867	100.0%	1,050,101	6.4%
Total Change in Net Position	$ 1,533,728		$ 1,714,770		$ (181,042)	

The School District's revenues increased by 4.8% in 2026 or a net amount of $869,059. The major components that contributed to the net increase were:

- State and federal sources increased by $283,026, primarily due to increases in state aid (mobile sports wagering aid).
- Property taxes and STAR revenues increased by $384,158 or 5.3%.
- Operating Grants revenue decreased by $186,534 due to the decreases in the education stabilization funds.
- Other revenues increased by $387,992, primarily due insurance recovery revenue.

The School District's expenses for the year increased by $1,050,101 or 6.4%. The major factors that contributed to the overall increase was due to an increase in the instruction line. This expense increased primarily due to allocation of employee benefit costs related to pension and other post-employment benefits.

3. FINANCIAL ANALYSIS OF MAJOR GOVERNMENTAL FUNDS

The District reports four major funds individually in the governmental funds financial statements. Those funds are the General Fund, Special Aid Fund, Debt Service Fund, and the Capital Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the District's current financial health are more apparent in the fund financial statements than in the government-wide financial statements.

A summary of the major funds for the years ended June 30, 2026 and 2025 is as follows:

	General Fund		Special Aid Fund		Debt Service		Capital Fund	
	2026	2025	2026	2025	2026	2025	2026	2025
Total Revenues	$18,089,205	$17,026,319	$ 631,036	$ 822,827	$ 55,974	$ 84,924	$ 20,000	$ 515,000
Total Expenditures	18,160,946	16,617,047	663,292	701,992			122,636	3,220,645
Other Financing Sources (Uses)								
Proceeds of Debt								9,965,000
Bond Issuance Costs						(187,118)		
Lease Proceeds							111,952	
BANs Redeemed from Appropriations						187,118		305,000
Transfers from Other Funds	181,000	165,991	35,001	33,015	534,642			
Transfers to Other Funds	(35,001)	(33,015)			(181,000)	(165,991)	(534,642)	
Total Other Financing Sources (Uses)	145,999	132,976	35,001	33,015	353,642	(165,991)	(422,690)	10,270,000
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	74,258	542,248	2,745	153,850	409,616	(81,067)	(525,326)	7,564,355
Fund Balance (Deficit), Beginning of Year	9,466,556	8,924,308	153,850		1,171,370	1,252,437	778,031	(6,786,324)

General Fund

General Fund revenues increased by approximately $1.06 million, primarily due to increases in real property taxes, State aid, and miscellaneous revenues. Expenditures increased by approximately $1.54 million, primarily attributable to higher instruction costs, employee benefits, pupil transportation, and general support expenditures. Net other financing sources increased slightly compared to the prior year

Special Aid Fund

Special Aid Fund revenues decreased by approximately $192,000, primarily due to a reduction in State aid, partially offset by increased federal aid. Expenditures decreased by approximately $39,000, primarily due to lower employee benefit and pupil transportation costs. Transfers from other funds remained relatively consistent with the prior year.

Debt Service Fund

Debt Service Fund revenues decreased by approximately $29,000 due to lower interest earnings. Other financing sources increased significantly, primarily attributable to transfers of $534,642 from the Capital Projects Fund, partially offset by transfers of $181,000 to other funds. There were no expenditures reported in either year.

Capital Fund

Capital Projects Fund revenues decreased by $495,000, primarily due to the recognition of bond premiums in the prior year. Capital outlay expenditures decreased significantly, from approximately $3.22 million in the prior year to $10,684 in the current year. Other financing sources decreased significantly, primarily due to the issuance of $9.97 million in debt proceeds in the prior year and transfers of $534,642 to the Debt Service Fund in the current year.

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2026, the School District's governmental funds reported a combined fund balance of $11,698,283, which is a decrease of $7,976 from the prior years combined fund balance of $11,706,259. A summary of the change in fund balance by fund is as follows:

	2026	2025	Increase (Decrease)
Major Funds			
General Fund			
Restricted			
Workers' Compensation	$ 404,390	$ 390,509	$ 13,881
Unemployment Insurance	328,647	317,295	11,352
Retirement Contribution - ERS	696,338	856,061	(159,723)
Retirement Contribution - TRS	483,747	467,019	16,728
Property Loss	56,836	54,910	1,926
Liability	262,339	253,284	9,055
Insurance	912,797	880,968	31,829
Tax Certiorari	775,506	753,782	21,724
Employee Benefit Accrued Liability	596,808	608,953	(12,145)
Capital Reserve	2,311,253	2,232,315	78,938
Repairs	372,967	360,154	12,813
Total Restricted	7,201,628	7,175,250	26,378
Assigned			
Encumbrances	1,732	86,234	(84,502)
Designated for Subsequent Year's Expenditures	1,688,651	1,426,391	262,260
Total Assigned	1,690,383	1,512,625	177,758
Unassigned	648,803	778,681	(129,878)
Total General Fund	9,540,814	9,466,556	74,258
Special Aid Fund			
Restricted	156,595	153,850	2,745
Total Special Aid Fund	156,595	153,850	2,745
Debt Service Fund			
Restricted	1,580,986	1,171,370	409,616
Capital Projects Fund			
Restricted	252,705	778,031	(525,326)
Total Major Funds Fund Balance	11,531,100	11,569,807	(38,707)
Non-Major Funds			
School Lunch Fund	143,529	111,236	32,293
Miscellaneous Special Revenue Fund	23,654	25,216	(1,562)
Total Non-Major Funds Fund Balance	167,183	136,452	30,731
Total Fund Balance - All Funds	$ 11,698,283	$ 11,706,259	$ (7,976)

General Fund

The General Fund balance increased by $74,258, or 0.8%, to approximately $9.54 million. The increase was primarily attributable to a $177,758 increase in assigned fund balance, largely due to increased amounts designated for subsequent year's expenditures. Restricted fund balance increased by $26,378, primarily due to an increase in the Capital Reserve, partially offset by a decrease in the Retirement Contribution – ERS Reserve. These increases were partially offset by a $129,878 decrease in unassigned fund balance.

Special Aid Fund

The Special Aid Fund balance increased by $2,745 to $156,595 as a result of current-year revenues and other financing sources exceeding expenditures.

Debt Service Fund

The Debt Service Fund balance increased by $409,616, or 35.0%, to approximately $1.58 million. The increase was primarily attributable to transfers received from the Capital Projects Fund, partially offset by transfers to other funds. The entire fund balance remains classified as restricted.

Capital Fund

The Capital Projects Fund balance decreased by $525,326, or 67.5%, to $252,705. The decrease was primarily attributable to transfers of $534,642 to the Debt Service Fund, along with current-year capital outlay expenditures. The entire remaining fund balance is classified as restricted.

5. SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

During 2026, capital asset activity primarily consisted of the completion of the capital project. After depreciation and asset disposals, net capital and leased assets decreased by $465,887, or 1.7%

The District made $1,005,000 of principal payments on previously outstanding serial bonds. At year end, approximately $1,145,000 of bond principal is due within one year.

6. CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

In May 2026, the voters passed a budget of $19,736,110 for the 2026-2027 fiscal year, representing an increase of $269,082, or 1.38%, over the prior year's adopted budget. The proposed budget includes a tax levy of $7,582,826, an increase of $158,828, or 2.14%, which is within the District's allowable tax levy limit. The District anticipates State aid of approximately $9.73 million, representing approximately 49% of total budgeted resources, and plans to appropriate $1,688,651 of fund balance to support the upcoming year's operations.

The District continues to experience financial pressures associated with rising employee benefit costs, contractual obligations, utilities, transportation, and special education services. The 2026-2027 budget reflects continued investment in educational programs, student support services, and facility maintenance while balancing anticipated revenue sources with increasing operational costs. The District will continue to evaluate expenditures and available resources to maintain educational programs and support its long-term financial stability.

7. CONTACTING THE DISTRICT

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

Oriskany Central School District
1313 Utica Street
Oriskany, New York 13424

ORISKANY CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2026

Assets		
Cash and Cash Equivalents	$	2,508,954
Restricted Cash and Cash Equivalents		8,901,246
Receivables		
Due From Other Governments		1,303,617
Other Receivables		9,016
Net Pension Asset-Proportionate Share		1,482,444
Right to Use Leased Asset, Net of Amortization		356,888
Capital Assets Not Being Depreciated		1,220,296
Capital Assets Being Depreciated, Net of Accumulated Depreciation		24,932,124
Total Assets		40,714,585
Deferred Outflow of Resources		
Other Postemployment Benefits		2,535,585
Pensions		2,216,673
Total Deferred Outflows of Resources		4,752,258
Total Assets and Deferred Outflow of Resources	$	45,466,843
Liabilities		
Accounts Payable	$	81,471
Accrued Liabilities		248,635
Due To		
Teachers' Retirement System		550,600
Employees' Retirement System		62,069
Overpayments and Collections in Advance		81,775
Bond Interest Payable		24,636
Net Pension Liability -Proportionate Share		195,347
Non-Current Liabilities		
Due Within One Year		
Bonds Payable		1,145,000
Premium on Bond		71,370
Lease Liability		26,779
Compensated Absences		407,654
Due in More Than One Year		
Bonds Payable		11,585,000
Premium on Bond		867,248
Lease Liability		56,609
Other Postemployment Benefits		23,036,721
Compensated Absences		1,222,962
Total Liabilities		39,663,876
Deferred Inflows of Resources		
Other Postemployment Benefits		6,192,906
Pension		1,561,714
Total Deferred Inflows of Resources		7,754,620
Total Liabilities and Deferred Inflow of Resources		47,418,496
Net Position		
Net Investment in Capital Assets		12,854,117
Restricted		9,215,568
Unrestricted (Deficit)		(24,021,338)
Total Net Position (Deficit)		(1,951,653)
Total Liabilities, Deferred Inflows of Resources, and Net Assets	$	45,466,843

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

ORISKANY CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
General Support	$ 3,231,087	$	$	$ (3,231,087)
Instruction	12,128,038		631,036	(11,497,002)
Pupil Transportation	1,236,981			(1,236,981)
Community Service	9,775			(9,775)
Debt Service - Unallocated Interest	686,184			(686,184)
Food Service Program	66,903		20,716	(46,187)
Total Functions/Programs	$ 17,358,968	$	$ 651,752	(16,707,216)
General Revenues				
Real Property Taxes				6,719,945
Other Real Property Tax Items				875,292
Use of Money and Property				486,942
Sale of Property and Compensation for Loss				48,940
State and Federal Sources				9,359,485
Miscellaneous				750,340
Total General Revenues				18,240,944
Change in Net Position				1,533,728
Net Position (Deficit), Beginning of Year				(3,485,381)
Net Position (Deficit), End of Year				$ (1,951,653)

ORISKANY CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2026

	Major Funds					
	General	Special Aid	Debt Service	Capital	Non-Major Funds	Total
Assets						
Cash and Cash Equivalents	$ 2,451,227	$ 8,092	$	$	$ 49,635	$ 2,508,954
Restricted Cash and Cash Equivalents	7,201,628		1,575,754	97,710	26,154	8,901,246
Receivables						
Due From Other Governments	799,822	269,495		161,122	73,178	1,303,617
Due From Other Funds	74,966	35,001	5,232		20,716	135,915
Other Receivables	9,016					9,016
Total Assets	$ 10,536,659	$ 312,588	$ 1,580,986	$ 258,832	$ 169,683	$ 12,858,748
Liabilities						
Accounts Payable	$ 78,824	$ 1,752	$	$ 895	$	$ 81,471
Accrued Liabilities	248,635					248,635
Due To						
Other Funds	55,717	72,466		5,232	2,500	135,915
Teachers' Retirement System	550,600					550,600
Employees' Retirement System	62,069					62,069
Overpayments and Collections in Advance		81,775				81,775
Total Liabilities	995,845	155,993		6,127	2,500	1,160,465
Fund Balance						
Restricted	7,201,628	156,595	1,580,986	252,705	23,654	9,215,568
Assigned	1,690,383				143,529	1,833,912
Unassigned	648,803					648,803
Total Fund Balance	9,540,814	156,595	1,580,986	252,705	167,183	11,698,283
Total Liabilities and Fund Balance	$ 10,536,659	$ 312,588	$ 1,580,986	$ 258,832	$ 169,683	$ 12,858,748

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

ORISKANY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE DISTRICT-WIDE NET POSITION
June 30, 2026

Total Governmental Fund Balances		$ 11,698,283
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The cost of building and acquiring capital assets (land, buildings, equipment) and right to use leased assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.		
Right to Use Leased Assets	636,640	
Accumulated Amortization	(279,752)	
Original Cost of Capital Assets	45,066,506	
Accumulated Depreciation	(18,914,086)	26,509,308
Proportionate share of long-term asset and/or liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the funds.		
Deferred Outflows - Pensions	2,216,673	
Net Pension Asset - Proportionate Share	1,482,444	
Net Pension Liability - Proportionate Share	(195,347)	
Deferred Inflows - Pensions	(1,561,714)	1,942,056
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds Payable	(12,730,000)	
Premium on Bond	(938,618)	
Lease Liability	(83,388)	
Accrued Interest on Bonds Payable	(24,636)	
Other Postemployment Benefits	(23,036,721)	
Deferred Outflows - Other Postemployment Benefits	2,535,585	
Deferred Inflows - Other Postemployment Benefits	(6,192,906)	
Compensated Absences Payable	(1,630,616)	(42,101,300)
Total Net Position		$ (1,951,653)

ORISKANY CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Major Funds							
	General	Special Aid	Debt Service	Capital	School Lunch	Miscellaneous Special Revenue	Non-Major Funds	Total
Revenues								
Real Property Taxes	$ 6,719,945	$	$	$	$	$	$	$ 6,719,945
Other Real Property Tax Items	875,292							875,292
Use of Money and Property	357,553		55,974				73,415	486,942
Sale of Property and Compensation for Loss	48,940							48,940
Miscellaneous	727,990			20,000			2,350	750,340
State Aid	9,329,790	118,703					20,716	9,469,209
Federal Aid	29,695	512,333						542,028
Total Revenues	18,089,205	631,036	55,974	20,000			96,481	18,892,696
Expenditures								
General Support	2,574,467			111,952				2,686,419
Instruction	8,498,306	616,826					4,025	9,119,157
Pupil Transportation	1,247,227							1,247,227
Community Service	6,500							6,500
Food Service Program							61,725	61,725
Employee Benefits	4,027,688	46,466						4,074,154
Capital Outlay				10,684				10,684
Debt Service - Principal	1,033,564							1,033,564
Debt Service - Interest	773,194							773,194
Total Expenditures	18,160,946	663,292		122,636			65,750	19,012,624
Excess (Deficit) Revenues Over Expenditures	(71,741)	(32,256)	55,974	(102,636)			30,731	(119,928)
Other Financing Sources (Uses)								
Lease Proceeds				111,952				111,952
Transfers from Other Funds	181,000	35,001	534,642					750,643
Transfers to Other Funds	(35,001)		(181,000)	(534,642)				(750,643)
Total Other Financing Sources (Uses)	145,999	35,001	353,642	(422,690)				111,952
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	74,258	2,745	409,616	(525,326)			30,731	(7,976)
Fund Balance, Beginning of Year	9,466,556	153,850	1,171,370	778,031	111,236	25,216		11,706,259
Reclassifications of Major Funds to Non-Major Funds					(111,236)	(25,216)	136,452	
Fund Balance, Beginning of Year (Restated)	9,466,556	153,850	1,171,370	778,031			136,452	11,706,259
Fund Balance, End of Year	$ 9,540,814	$ 156,595	$ 1,580,986	$ 252,705	$	$	$ 167,183	$ 11,698,283

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

ORISKANY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

Net Changes in Fund Balance - Total Governmental Funds		$ (7,976)
Capital Outlays to purchase, build, or lease capital assets or right to use leased assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceeded depreciation and amortization expense in the period.		
Right to Use Leased Asset	274,590	
Amortization Expense on Leased Assets	(130,450)	
Depreciation Expense	(1,039,285)	
Gain on Disposal	(20,021)	
Capital Outlays	449,279	(465,887)
Notes payable and bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal Paid on Lease Liability	28,564	
Lease Liability Issued	(111,952)	
Principal Payments on Bonds	1,005,000	
Amortization of Premium on Bond	77,863	999,475
Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in Accrued Interest on Serial Bonds	9,147	
Change in Other Postemployment Benefits (including Deferred Outflows and Inflows)	631,985	
Change in Pension Expense	533,384	
Change in Compensated Absences	(166,400)	1,008,116
Change in Net Position Governmental Activities		$ 1,533,728

ORISKANY CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2026

	Custodial
Assets	
Cash and Cash Equivalents - Restricted	$ 74,730
Net Position	
Restricted for Extraclassroom Activities	$ 74,730

ORISKANY CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2026

	Custodial
Additions	
Interest Income	358
Extraclassroom - Receipts	95,859
Total Additions	96,217
Deductions	
Extraclassroom - Expenses	95,987
Change in Net Position	230
Net Position, Beginning of Year	74,500
Net Position, End of Year	$ 74,730

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The reporting entity of the School District is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Extraclassroom Activity Funds

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

Joint Venture

The School District is a component district in the Oneida-Herkimer-Madison Board of Cooperative Educational Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

Basis of Presentation

(a) District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

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

(b) Fund Financial Statements

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

Major Funds

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

Special Revenue Funds:

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

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

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

Non-Major Funds

Special Revenue Funds:

School Lunch Fund: This fund is used to account for and report transactions of the School District's food service operations.

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

Major Funds – Effective for the fiscal year ended June 30, 2026, the District reclassified the School Lunch and Miscellaneous Special Revenue Funds from Major to Non-Major Funds. This reclassification is reported as a change within the financial reporting entity and is reflected as an adjustment to beginning fund balance of both fund's columns and the aggregate Non-Major governmental funds column in the governmental fund financial statements.

(c) Fiduciary Funds

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

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

Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Estimates

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

Cash and Cash Equivalents

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

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

Property Taxes

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

Receivables

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

Interfund Transactions

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in Note 10 to the financial statements.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2003. For assets acquired prior to July 1, 2003, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received. The School District uses capitalization thresholds of $1,000 for machinery, equipment, vehicles, land and building improvements. Depreciation methods and estimated useful lives of capital assets reported in the district-wide statements are as follows:

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

Right to Use Leased Assets

The School District has recorded right to use lease assets as a result of implementing GASB 87 – Leases. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease, which range from 3-5 years.

Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Deferred Outflow of Resources

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

Deferred Inflows of Resources

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

Compensated Absences

The School District's employees are granted vacation leave in varying amounts, based primarily on length of service and employment classification. Some earned vacation benefits may be forfeited if not used within designated timeframes, as specified in collective bargaining agreements and administrative policies.

Sick leave eligibility, accumulation, and payout provisions are governed by negotiated labor agreements and individual employment contracts. Upon retirement, resignation, or death, employees may be eligible to receive payment for unused accumulated sick leave, in accordance with those agreements.

In accordance with GASB Statement No. 101, *Compensated Absences*, a liability is recognized in the district-wide financial statements for vacation, sick leave, and other compensated absences when the benefit is earned by the employee and it is more likely than not that the leave will be used or paid. The compensated absences liability is measured using the pay rates in effect at year-end, and includes salary-related payments such as applicable employer payroll taxes.

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

Other Benefits

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

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

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Long-term obligations represent the School District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

Restricted Resources

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

Equity Classifications

(a) District-wide Financial Statements

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

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

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

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

(b) Fund Statements

The School District follows GASB's authoritative guidance under GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

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

Restricted Resources

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted net assets are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

The School District has established the following restricted fund balances:

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

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

- ***Retirement Contribution Reserve –*** The Retirement Contribution Reserve (GML §6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to New York State Teachers' Retirement System. During a fiscal year, a Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law 6-r.

- ***Liability and Property Loss Reserve –*** The Property Loss and Liability Reserves [Education Law §1709(8)(c)] are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000. These reserves are accounted for in the General Fund.

- ***Insurance Reserve –*** Insurance reserve (GML §6-n) is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used of any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund.

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

- ***Reserve for Employee Benefits Accrued Liability –*** According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

- ***Capital Reserve –*** The Capital Reserve is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the people at any special or annual meeting. Such authorization is further required for payments from the capital reserve. The form of the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in Section 3651 of Education Law. This reserve is accounted for in the General Fund.

  In May 2022, the Board and voters established a capital reserve fund to reserve up to $7 million for the purpose of capital improvements. The reserve was established with a term of 10 years. The fund can be used to fund renovations and additions to all District facilities, including the purchase of equipment, technology upgrades, classroom equipment and/or school infrastructure equipment, security and safety improvement, site development, athletic fields, plumbing, storm and sanitary sewers, boilers, driveways, and parking lots. The proposition only established the capital reserve fund and does not obligate the School District to fund it at any specific level at any time. The district will determine the level at which it is funded based on current and future financial conditions. As of June 30, 2026, the School District has funded $2,232,315 into this reserve.

  In May 2026, the Board and voters established a capital reserve fund to reserve up to $5 million for the purpose of transportation purchases. The reserve was established with a term of 5 years. The fund can be used to fund the costs of school buses and other vehicles, including but not limited to diesel school buses, other diesel vehicles, zero-emission school buses, other zero-emission vehicles, and transportation infrastructure, including construction and reconstruction of District buildings and facilities, original equipment, machinery, apparatus, appurtenances, furnishing and other incidental improvements and expenses in connection. The proposition only established the capital reserve fund and does not obligate the School District to fund it at any specific level at any time. The district will determine the level at which it is funded based on current and future financial conditions. As of June 30, 2026, the School District has funded $0 into this reserve.

  In May 2026, the Board and voters established a capital reserve fund to reserve up to $1 million for the purpose of technology and equipment purchases. The reserve was established with a term of 5 years. The fund can be used to fund the costs of equipment, machinery or apparatus incidental thereto, and the purchase of technology equipment, furnishings, and other equipment, machinery or apparatus separately. The proposition only established the capital reserve fund and does not obligate the School District to fund it at any specific level at any time. The district will determine the level at which it is funded based on current and future financial conditions. As of June 30, 2026, the School District has funded $0 into this reserve.

- ***Reserve for Repairs –*** According to General Municipal Law §6-d, must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

- ***Special Aid Fund –*** This fund represents grant revenues received but not yet expended as of year end. These funds are restricted for specific program purposes.

- ***Miscellaneous Special Revenue Fund –*** This fund is used to account for various endowment and scholarship awards.

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

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

Unrestricted Resources

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

- ***Committed*** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2026.
- ***Assigned*** **–** Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official such as the School District's purchasing agent to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than the capital projects fund, are classified as assigned fund balance. The amount appropriated for the subsequent year's budget of the general fund is also classified as assigned fund balance in the general fund.
- ***Unassigned*** **–** Includes all other fund net assets that do not meet the definition of the above classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

(c) Restricted for Extraclassroom Activities

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

(d) Order of Use of Fund Balance

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

New Accounting Standards

Effective for the fiscal year ended June 30, 2026, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. This standard establishes changes to certain components of the financial reporting model, including management's discussion and analysis, the presentation of unusual or infrequent items, proprietary fund reporting, major component unit information, and budgetary comparison information.

For the District, the implementation of GASB 103 resulted primarily in changes to the presentation and content of management's discussion and analysis and budgetary comparison information. Budgetary comparison schedules for the General Fund are presented as required supplementary information and include separate original-to-final budget and final budget-to-actual variances, with significant variances explained in the accompanying notes. The implementation did not result in a material change to the District's reported net position or fund balance.

Effective for the fiscal year ended June 30, 2026, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 104, *Disclosure of Certain Capital Assets*. This standard requires certain types of capital assets, including lease assets and subscription assets, and related accumulated amortization to be disclosed separately within the capital asset note. The District applied the provisions of GASB 104 retroactively, as applicable and practicable. The implementation of this standard resulted in changes to the presentation of the District's capital asset disclosures but did not have a material effect on total capital assets or net position.

Future Changes in Accounting Standards

- GASB Statement No. 105, Subsequent Events, effective for the year ending June 30, 2027.

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

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

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

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

Total fund balances of the School District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

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

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

(a) Long-Term Revenue Differences

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

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

(d) Employee Benefit Allocation

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

(e) Pension Differences

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

(f) OPEB Differences

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

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Procedures and Budgetary Accounting

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

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

Appropriations are adopted at the program line item level.

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

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

Encumbrances

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

NYS Real Property Tax Cap

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments including school districts can levy. The tax levy for the 2025-2026 school year was in compliance with the NYS Tax Cap Limit.

General Fund – Statutory Unassigned Fund Balance Limit

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

At June 30, 2026, the School District's unassigned fund balance was 3.29% of the 2026-2027 budget.

4. CUSTODIAL AND CONCENTRATION OF CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

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

As of June 30, 2026, with the School District's bank balances totaling $11,750,760 were fully collateralized by securities held by an agent of the pledging financial institution in the School District's name, FDIC insurance and NCUA insurance and were not exposed to custodial credit risk.

5. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash of $7,201,628 in the General Fund represents the following, the amount in total is less than restricted cash due to monies owed from other funds:

Description	Amount
Workers' Compensation	$ 404,390
Unemployment Insurance	328,647
Retirement Contribution - ERS	696,338
Retirement Contribution - TRS	483,747
Property Loss	56,836
Liability	262,339
Insurance	912,797
Tax Certiorari	775,506
Employee Benefit Accrued Liability	596,808
Capital	2,311,253
Repairs	372,967
Total	$ 7,201,628

Restricted cash of $1,575,754 in the Debt Service Fund represents cash restricted towards future debt service expenditures.

Restricted cash of $97,710 in the Capital Fund represents cash restricted towards the School District's capital projects.

Restricted cash of $26,154 in the Miscellaneous Special Revenue Fund represents funds gifted to the school district for scholarships and awards.

Restricted cash of $74,730 in the Fiduciary Custodial Fund represents the student activity cash balances at June 30, 2026.

6. CAPITAL ASSETS & RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2026, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 441,500	$	$	$ 441,500
Construction in Progress	778,796			778,796
Total	1,220,296			1,220,296
Capital Assets Being Depreciated				
Buildings and Improvements	40,006,832	3,480		40,010,312
Furniture and Equipment	2,049,907	403,612		2,453,519
Vehicles	1,679,508	42,187	339,316	1,382,379
Total	43,736,247	449,279	339,316	43,846,210
Accumulated Depreciation				
Buildings and Improvements	15,600,265	810,402		16,410,667
Furniture and Equipment	1,473,033	97,396		1,570,429
Vehicles	1,120,798	131,487	319,295	932,990
Total	18,194,096	1,039,285	319,295	18,914,086
Net Capital Assets Being Depreciated	25,542,151	(590,006)	20,021	24,932,124
Net Capital Assets	$ 26,762,447	$ (590,006)	$ 20,021	$ 26,152,420

Depreciation expense is allocated to the following functions/programs:

Function/Program		
General Support	$	215,980
Instruction		712,948
Transportation		104,634
School Lunch Services		5,178
Community Services		545
Total Depreciation	$	1,039,285

Right to use leased asset activity for the year ended June 30, 2026, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Equipment	$ 488,584	$ 274,590	$ 126,534	$ 636,640
Accumulated Amortization				
Leased Equipment	275,836	130,450	126,534	279,752
Net Right to Use Leased Assets	$ 212,748	$ 144,140	$ -	$ 356,888

Amortization expense of 130,450 is charged solely to instruction.

7. LONG-TERM LIABILITIES

Long-term liability balances and activity are as follows:

Description	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Bonds Payable					
Serial Bonds	$ 13,735,000	$	$ 1,005,000	$ 12,730,000	$ 1,145,000
Premium on Bond	1,016,481		77,863	938,618	71,370
Other Liabilities					
Other Postemployment Benefits	20,514,686	3,318,228	796,193	23,036,721	
Net Pension Liability	637,735		442,388	195,347	
Lease Liability		111,952	28,564	83,388	26,779
Compensated Absences	1,464,216	166,400		1,630,616	407,654
Total Long Term Liabilities	$ 37,368,118	$ 3,596,580	$ 2,350,008	$ 38,614,690	$ 1,650,803

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

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

Details relating to general obligation (serial) bonds and notes payable of the School District outstanding at June 30, 2026, are summarized as follows:

Payable From/Description	Original Issue	Amount	Final Maturity	Interest Rate (%)	Outstanding Amount
Serial Bond	06/2016	$ 3,817,125	06/2031	2.00 - 2.50	$ 1,375,000
Serial Bond	06/2020	$ 2,470,000	06/2034	5.00	1,635,000
Serial Bond-Refunding	12/2021	$ 965,000	12/2027	1.00 - 2.00	165,000
DASNY Bond	06/2025	$ 9,965,000	6/2052	4.25	9,555,000
Total					$ 12,730,000

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

For the Year Ending June 30,	Serial Bonds Principal	Interest	Total
2027	$ 1,145,000	$ 591,275	$ 1,736,275
2028	940,000	547,075	1,487,075
2029	980,000	507,981	1,487,981
2030	1,020,000	466,680	1,486,680
2031	1,035,000	423,163	1,458,163
2032-2036	3,785,000	1,489,438	5,274,438
2037-2041	2,385,000	614,688	2,999,688
2042-2046	595,000	296,938	891,938
2047-2051	700,000	143,500	843,500
2052	145,000	7,250	152,250
Total	$ 12,730,000	$ 5,087,988	$ 17,817,988

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

Interest Paid	$ 773,194
Less: Interest Accrued in the Prior Year	(33,783)
Less: Amortization of Bond Premium	(77,863)
Plus: Interest Accrued in the Current Year	24,636
Total Interest Expense on Long-Term Debt	$ 686,184

Serial Bond Unamortized Premium

During 2022, the School District issued $965,000 in general obligation bonds to advance refund $950,000 of outstanding 2012 serial bonds. During 2025, the District issued $9,965,000 of bonds through the Dormitory Authority of the State of New York (DASNY).

The original issue premiums on this current and previous year's refunding bonds have been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premiums are being amortized using the straight-line method over the life of the bond. The current year amortization is $77,863 and is included as a reduction to interest expense on the Statement of Activities.

Unamortized Premium, 6/30/2025	$ 1,016,481
Less: Amount Recognized in Current Year	(77,863)
Unamortized Premium, 6/30/2026	$ 938,618

Debt Limit

Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as State aid for building purposes. The Constitutional and statutory method for determining full valuation consist of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority. At June 30, 2026, the School District was in compliance with its statutory debt limit.

Compensated Absences

Compensated absences represent vacation and sick time that has been earned by School District employees and is more likely than not to be used or paid as of June 30, 2026.

Lease Liability

The School District has entered into agreements with the BOCES and other vendors to lease certain equipment such as copiers and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates and are for a term of 3-5 years. The lease liability is measured at a discount rate which is stated in the lease agreements. As a result of these leases, the School District has recorded a right to use asset with a net book value of $356,888 at June 30, 2026. The future principal and interest payments on the outstanding lease liability are as follows:

For the Year Ending	Leases		
June 30,	Principal	Interest	Total
2027	$ 26,779	$ 3,128	$ 29,907
2028	27,784	2,123	29,907
2029	28,826	1,081	29,907
Total	$ 83,389	$ 6,332	$ 89,721

8. PENSION PLANS

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

(a) Plan Description

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

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but prior to April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012 must contribute at a specific percentage of earnings (between 3% and 6%) for their entire career. Subsequent to the fiscal year ended March 31, 2026, the approved fiscal year 2027 New York State Budget includes new laws which reduce contribution rates for Tier 6 members. Effective October 1, 2026, the new contribution rate varies from 3% to 5.75% depending on salary. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2026, were paid.

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

	Amount
2024	$ 131,612
2025	165,470
2026	207,835

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

At June 30, 2026, the School District reported a liability of $195,347 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2026, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2026 and 2025, the School District's proportion was .0034625 percent and .0037195 percent, respectively.

For the year ended June 30, 2026, the School District recognized a pension expense of $240,607. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 111,789	$
Change of assumptions	33,532	
Net difference between projected and actual earnings on Pensions plan investments		350,268
Changes in proportion and differences between contributions and proportionate share of contributions	65,296	29,064
Contributions subsequent to the measurement date	62,069	
Total	$ 272,686	$ 379,332

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset)/liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2027	$ 91,528
2028	(113,086)
2029	(66,231)
2030	(80,925)

(d) **Actuarial Assumptions**

The total pension liability at March 31, 2026 was determined by using an actuarial valuation as of April 1, 2025, with update procedures used to roll forward the total pension liability to March 31, 2026.

Significant actuarial assumptions used in the April 1, 2025 valuation was as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Salary scale	5.20%
Decrement tables	April 1, 2020 - March 31, 2025 System's Experience
Inflation rate	2.90%

Annuitant mortality rates are based on April 1, 2020 - March 31, 2025 System's experience with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the April 1, 2025 valuation are based on the results of an actuarial experience study for the period April 1, 2020 - March 31, 2025.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2026 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	25.00%	3.29%
International equity	14.00%	5.85%
Private equity	15.00%	7.00%
Real estate	12.00%	5.20%
Opportunistic/ARS portfolio	3.00%	5.13%
Credit	4.00%	5.10%
Real assets	4.00%	5.54%
Fixed income	22.00%	1.75%
Cash	1.00%	0.25%
	100.00%	

**Real rates of return are net of long-term inflation assumption of 2.50%*

(e) Discount Rate

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

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate share of the net pension liability (asset)	$ 1,334,166	$ 195,347	$ (756,756)

***(g)* Pension Plan Fiduciary Net Position**

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

***(h)* Payables to the Pension Plan**

The School District has recorded an amount due to ERS in amount of $62,069 at June 30, 2026. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2026-2027 billing cycle and has been accrued as an expenditure in the current year.

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

(a) Plan Description

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

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

(b) Contributions

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

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

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

	Amount
2024	$ 473,147
2025	497,005
2026	490,243

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

At June 30, 2026, the School District reported an asset of $1,482,444 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2024. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025, the School District's proportion was .025037 percent, which was a decrease of .000353 percent from its proportion measured as of June 30, 2024 of .025390 percent.

For the year ended June 30, 2026, the School District recognized pension credit of $(63,095). At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 777,131	$
Changes of assumptions	586,853	15,983
Net difference between projected and actual earnings on pensions plan investments		1,157,785
Changes in proportion and differences between contributions and proportionate share of contributions	89,760	8,614
Contributions subsequent to the measurement date	490,243	
Total	$ 1,943,987	$ 1,182,382

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

Year Ended June 30:	
2026	$ 763,903
2027	(294,322)
2028	(313,131)
2029	(51,554)
2030	138,126
Thereafter	28,340

(d) Actuarial Assumptions

The total pension liability at June 30, 2025 measurement date was determined by using an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension liability to June 30, 2025.

Significant actuarial assumptions used in the June 30, 2024 valuation were as follows:

Investment Rate of Return — 6.95% compounded annually, net of pension plan investment expense, including inflation.

Salary scale — Rates of increase differ based on service.
They have been calculated based upon recent NYSTRS member experience.

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

Projected COLAs — 1.4% compounded annually.

Inflation rate — 2.5%

Annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP 2021 for June 30, 2026, applied on a generational basis.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2024.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.7%
International equity	15.0%	7.4%
Global equity	4.0%	7.0%
Real estate equity	11.0%	6.5%
Private equity	9.0%	9.8%
Domestic fixed income	16.0%	2.6%
Global bonds	2.0%	2.4%
Private debt	2.0%	6.1%
Real estate debt	6.0%	3.8%
High-yield bonds	1.0%	4.7%
Cash equivalents	1.0%	0.6%
	100.0%	

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

(e) Discount Rate

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

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

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

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate share of the net pension liability (asset)	$ 2,848,535	$ (1,482,444)	$ (5,126,737)

(g) Pension Plan Fiduciary Net Position

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

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS in amount of $490,243 (excluding employees' share) in the General Fund at June 30, 2026. This amount represents contribution for the 2025-2026 fiscal year that will be made in 2026-2027 and has been accrued as an expenditure in the current year.

9. OTHER POSTEMPLOYMENT BENEFITS

(a) Plan Descriptions

The School District provides medical benefits to retired employees and their eligible dependents. The benefits provided to employees upon retirement are based on provisions in various contracts that the School District has in place with different classifications of employees.

The School District acquires health insurance through Excellus BlueCross/BlueShield. The insurance plans cover medical and pharmaceutical costs. Refer to plan documents for the specifics and limitations of the coverage offered to retirees. Many of the services provided by Excellus BlueCross/Blue Shield require co-payments at various levels depending on the nature of the service.

The School District provides medical, dental and life insurance to retirees and their covered dependents. The School District pays a portion of the cost for eligible retirees, covered spouses, and dependents. Currently there are approximately 177 current and former employees participating in the School District's Other Postemployment Benefits (OPEB) plan. The benefits provided to employees upon retirement are based upon provisions in various contracts that the School District has in place with different classifications of employees. All active employees who retire or are disabled directly from the School District and meet eligibility criteria can participate.

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

(b) Benefits Provided

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

Employee Group	Description of Benefits	Retiree Contributions	Comments
Superintendent	Medical	Individual - 10% Spouse - 50%	Required Age - 55 Required Service - 9
Administrators	Medical	Individual - 25% Spouse - 45%	Required Age - 55 Required Service - 15
Instructional	Medical	Individual - 25% Spouse - 50%	Required Age - 55 Required Service - 10
Non-Instructional	Medical	Individual - 25% Spouse - 50%	Required Age - 55 Required Service - 10
Business Administrator	Medical	Individual - 10% Spouse - 50%	Required Age - 55 Required Service - 10
Director of Facilities	Medical	Individual - 25% Spouse - 50%	Required Age - 55 Required Service - 15
Director of Transportation	Medical	Individual - 25% Spouse - 62%	Required Age - 55 Required Service - 15

For all of the above groups, vision benefits are provided through plan and retiree is responsible for 100% of the costs

(c) Employees Covered by Benefit Terms

	Total
Actives	99
Retirees and Survivors	78
Total	177

(d) Total OPEB Liability

The School District's total OPEB liability of $23,036,721 was measured as of June 30, 2026 and was determined by an actuarial valuation as of July 1, 2024.

(e) Changes in the Total OPEB Liability

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

	Total OPEB Liability
Balance as of June 30, 2025	$ 20,514,686
Changes recognized for the year:	
Service cost	592,407
Interest	1,076,868
Difference between expected and actual experience	
Changes in assumptions and other inputs	1,648,953
Benefit payments	(796,193)
Net changes	2,522,035
Balance as of June 30, 2026	$ 23,036,721

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.67 percent) or 1 percentage point higher (5.67 percent) than the current discount rate:

	1% Decrease 3.67%	Current Assumption 4.67%	1% Increase 5.67%
Total OPEB liability as of June 30, 2026	$ 26,719,018	$ 23,036,721	$ 20,072,616

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

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

	1% Decrease	Current Assumption	1% Increase
Total OPEB liability as of June 30, 2026	$ 19,435,400	$ 23,036,721	$ 27,660,647

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

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

For the year ended June 30, 2026, the School District recognized OPEB expense of $164,208. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 400,444	$ 1,135,772
Changes of assumptions	2,135,141	5,057,134
Total	$ 2,535,585	$ 6,192,906

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

Year ended June 30:	Amount
2027	$ (1,653,248)
2028	(1,472,996)
2029	(489,056)
2030	(309,939)
2031	267,918

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2024, with a June 30, 2026 measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Valuation Date	July 1, 2024
Measurement Date	June 30, 2026
Actuarial Cost Method	Entry Age Normal - Level of Percent of Pay
Inflation rate	2.60%
Healthcare Cost Trend Rates	6.20%, decreasing to 4.14% over 60 years
Discount Rate	4.67%

The discount rate changed from 5.20% to 4.67%, which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer Weekly 20-Bond GO Index.

10. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	Interfund		Interfund	
Fund	Receivables	Payables	Revenues	Expenditures
General	$ 74,966	$ 55,717	$ 181,000	$ 35,001
Special Aid	35,001	72,466	35,001	
Debt Service	5,232		534,642	181,000
Capital Projects		5,232		534,642
School Lunch	20,716			
Miscellaneous Special Revenue		2,500		
Total Government Activities	$ 135,915	$ 135,915	$ 750,643	$ 750,643

- The School District made a transfer of $35,001 from the General Fund to the Special Aid Fund, which represents the local share of the Summer School Program.
- The School District transferred $534,642 from the Capital Projects Fund to the Debt Service Fund to reconcile the completed capital projects to debt service for the purpose of outstanding debt obligations, which offsets the local share of annual principal and interest payments.
- The School District transferred $181,000 from Debt Service Fund to the General Fund for the planned use of debt service to equalize the local share of the 2026-2027 debt payments.
- Interfund receivables and payables are typically liquidated within 1 year.

11. FUND BALANCE

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

	General	Special Aid	Debt Service	Capital Projects	Non-Major Funds: School Lunch	Non-Major Funds: Miscellaneous Special Revenue	Total
Restricted							
Workers' Compensation	$ 404,390	$	$	$	$	$	$ 404,390
Unemployment Insurance	328,647						328,647
Retirement Contribution - ERS	696,338						696,338
Retirement Contribution - TRS	483,747						483,747
Property Loss	56,836						56,836
Liability	262,339						262,339
Insurance	912,797						912,797
Tax Certiorari	775,506						775,506
Employee Benefits Accrued Liability	596,808						596,808
Capital	2,311,253						2,311,253
Repairs	372,967						372,967
Special Aid		156,595					156,595
Debt Service			1,580,986				1,580,986
Capital Projects				252,705			252,705
Reserve for Scholarships						23,654	23,654
Total Restricted	7,201,628	156,595	1,580,986	252,705		23,654	9,215,568
Assigned							
Encumbrances	1,732						1,732
School Lunch					143,529		143,529
Appropriated for Subsequent Year's Budget	1,688,651						1,688,651
Total Assigned	1,690,383				143,529		1,833,912
Unassigned	648,803						648,803
Total Fund Balance	$ 9,540,814	$ 156,595	$ 1,580,986	$ 252,705	$ 143,529	$ 23,654	$ 11,698,283

(b) The following is a summary of the change in general fund restricted funds during the year ended June 30, 2026:

Restricted Fund	Balance at July 1, 2025	Additions	Deductions	Balance at June 30, 2026
Workers Compensation	$ 390,509	$ 13,881	$	$ 404,390
Unemployment Insurance	317,295	11,352		328,647
Retirement Contribution - ERS	856,061	30,277	190,000	696,338
Retirement Contribution - TRS	467,019	16,728		483,747
Property Loss	54,910	1,987	61	56,836
Liability	253,284	9,055		262,339
Insurance	880,968	31,829		912,797
Tax Certiorari	753,782	21,724		775,506
Employee Benefit Accrued Liability	608,953	20,731	32,876	596,808
Capital	2,232,315	78,938		2,311,253
Repairs	360,154	12,813		372,967
Total	$ 7,175,250	$ 249,315	$ 222,937	$ 7,201,628

12. COMMITMENTS AND CONTINGENCIES

Risk Financing and Related Insurance

(a) General Information

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

(b) Potential Grantor Liability

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

13. NET POSITION DEFICIT – DISTRICT WIDE

The District-wide net position had an unrestricted net position deficit at June 30, 2026 of $24,018,593 and a total net position deficit of $1,951,653. The deficit is primarily the result of GASB Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which requires the recognition of an unfunded liability of $23,036,721 at June 30, 2026. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

14. TAX ABATEMENTS

The County of Oneida Industrial Development Agency and the School District entered into property tax abatement programs for the purpose of economic development with a local employer. For the year ended June 30, 2026 the School District's property tax revenue was reduced by $130,799 as a result of these tax abatement agreements. For the year ended June 30, 2026 the School District received payment in lieu of taxes (PILOTs) totaling $169,013.

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2026

	Original Budget	Final Budget	Variance between Original Budget and Final Budget		Actual	Final Budget Variance With Actual	
Revenues							
Local Sources							
Real Property Taxes	$ 6,760,249	$ 6,760,249	$		$ 6,719,945	$ (40,304)	
STAR and Other Real Property Tax Items	863,554	863,554			875,292	11,738	
Use of Money and Property	85,000	85,000			357,553	272,553	**c.**
Sale of Property and Compensation for Loss	26,000	26,000			48,940	22,940	
Miscellaneous	722,700	1,073,550	350,850	**a.**	727,990	(345,560)	
Interfund Revenues							
State Aid	9,382,134	9,382,134			9,329,790	(52,344)	
Federal Aid	20,000	20,000			29,695	9,695	
Total Revenues	17,859,637	18,210,487	350,850		18,089,205	(121,282)	
Other Financing Sources							
Transfers from Other Funds	181,000	181,000			181,000		
Appropriated Fund Balance	1,512,625	1,512,625				(1,512,625)	
Total Revenues and Other Financing Sources	$ 19,553,262	$ 19,904,112	$ 350,850		18,270,205	$ (1,633,907)	

	Original Budget	Final Budget	Variance between Original Budget and Final Budget		Actual	Final Budget Variance With Actual And Encumbrances	
Expenditures							
General Support							
Board of Education	$ 15,850	$ 17,596	$ 1,746		$ 13,193	$ 4,403	
Central Administration	263,900	265,000	1,100		260,549	4,451	
Finance	886,050	871,507	(14,543)		796,656	74,716	
Staff	161,550	161,550			124,213	37,337	
Central Services	1,361,844	1,372,615	10,771		1,168,077	204,538	**d.**
Special Items	227,150	228,000	850		211,779	16,221	
Total General Support	2,916,344	2,916,268	(76)		2,574,467	341,666	
Instruction							
Instruction, Administration, and Improvement	343,700	683,006	339,306	**b.**	667,388	15,618	
Teaching - Regular School	4,160,600	4,117,850	(42,750)		3,766,955	350,895	
Programs for Children With Special Needs	3,097,019	3,032,609	(64,410)		2,591,427	439,585	**e.**
Occupational Education	435,000	435,000			426,832	8,168	
Teaching - Special School	79,675	76,475	(3,200)		52,835	23,640	
Instructional Media	399,400	417,810	18,410		403,940	13,870	
Pupil Services	690,096	691,096	1,000		588,929	102,167	**f.**
Total Instruction	9,205,490	9,453,846	248,356		8,498,306	953,943	
Pupil Transportation	1,360,600	1,367,526	6,926		1,247,227	120,299	**g.**
Community Services	6,500	6,500			6,500		
Employee Benefits	4,243,200	4,338,844	95,644		4,027,688	311,156	
Debt Service - Principal	1,035,000	1,007,275	(27,725)		1,033,564	(26,289)	
Debt Service - Interest	744,128	771,853	27,725		773,194	(1,341)	
Total Expenditures	19,511,262	19,862,112	350,850		18,160,946	1,699,434	
Other Financing Uses							
Transfers to Other Funds	42,000	42,000			35,001	6,999	
Total Expenditures and Other Financing Uses	$ 19,553,262	$ 19,904,112	$ 350,850		18,195,947	$ 1,706,433	
Net Change in Fund Balance					74,258		
Fund Balance - Beginning of Year					9,466,556		
Fund Balance - End of Year					$ 9,540,814		

Note to Required Supplementary Information:

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

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

Original Budget to Final Budget Variances

a. Legal Settlement and receipt of award judgement for payout of lost wage verdict. As the verdict was specifically an award of lost wages, the settlement amount was processed through district payroll processing. This is a flow through amount only as a one-time revenue with matching expenses for 25-26.

b. The increased expenditure is the result of payroll processing for the legal settlement for loss wages. This is a one-time payment for flow through of funds as detailed in revenue in collaboration with Utica National Insurance.

Final Budget to Actual Variances

c. Actual amounts of interest revenue exceeded budgeted amounts as the District saw higher interest rates than expected.

d. Additional expense to migrate IT from OHM BOCES to the MORIC Managed Integrated Technology Plan. The additional expense will result in an increase in BOCES Aid to the District in the following fiscal year.

e. Two privately placed tuition students moved out of district eliminating the tuition expense, addition of 5 Special Education students requiring placement in BOCES programs. Highly variable expense based on the needs of the District's student population.

f. Re-negotiated OTA contract resulted in a restructuring of Appendix D: Extra Duty Pay Schedule; Coaching stipends and athletic budget shared with neighboring Westmoreland District due to combination contract both resulted in an overall savings in our pupil services expenses.

g. District Consortium Health Insurance premium share expense increased 12% from 24-25 to 25-26. The District balanced the annual staffing changes, OTA/NTEO negotiated Health Care plans, and proportional grant allocation offsets to optimize the District's Heath Care Expenditures.

See Independent Auditor's Report.

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2026

Measurement Date	6/30/2026*	6/30/2025*	6/30/2024*	6/30/2023*	6/30/2022*	6/30/2021*	6/30/2020*	6/30/2019*	6/30/2018*
Total OPEB Liability									
Service cost	$ 592,407	$ 709,554	$ 802,884	$ 1,148,599	$ 1,394,524	$ 1,276,867	$ 973,747	$ 938,019	$ 824,136
Interest	1,076,868	922,944	862,035	853,325	632,182	642,856	803,225	661,289	628,820
Changes of Benefit Terms				(1,260,827)		(70,887)			
Difference between Expected and Actual Experience		602,178		(1,205,697)		(3,629,579)		(956,001)	103,715
Change in Assumptions and Other Inputs	1,648,953	(4,147,651)	(1,018,389)	869,127	(6,481,440)	2,334,754	4,593,539	797,152	
Benefit Payments	(796,193)	(694,749)	(677,297)	(415,947)	(505,005)	(480,012)	(586,305)	(554,424)	(621,623)
Net change in total OPEB Liability	2,522,035	(2,607,724)	(30,767)	(11,420)	(4,959,739)	73,999	5,784,206	886,035	935,048
Total OPEB Liability - Beginning	20,514,686	23,122,410	23,153,177	23,164,597	28,124,336	28,050,337	22,266,131	21,380,096	20,445,048
Total OPEB Liability - Ending	$ 23,036,721	$ 20,514,686	$ 23,122,410	$ 23,153,177	$ 23,164,597	$ 28,124,336	$ 28,050,337	$ 22,266,131	$ 21,380,096
Covered payroll	$ 6,267,354	$ 5,885,106	$ 5,731,135	N/A	$ 5,141,876	$ 5,141,876	$ 4,788,106	$ 4,788,106	$ 5,906,492
Total OPEB Liability as a percentage of covered payroll	367.57%	348.59%	403.45%		450.51%	546.97%	585.83%	465.03%	361.98%

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

Notes to Required Supplementary Information:

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

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 9 to the financial statements.

Changes to Assumptions

The discount rate changed from 5.20% to 4.67%, which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer Weekly 20-Bond GO Index

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
For the Year Ended June 30, 2026

ERS Pension Plan

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 207,835	$ 165,470	$ 131,612	$ 106,771	$ 133,320	$ 118,249	$ 121,658	$ 122,627	$ 120,498
Contributions in Relation to the Contractually Required Contribution	207,835	165,470	131,612	106,771	133,320	118,249	121,658	122,627	120,498
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 1,590,820	$ 1,414,358	$ 1,248,485	$ 1,019,115	$ 924,779	$ 995,346	$ 882,127	$ 1,158,470	$ 1,020,148
Contributions as a Percentage of Covered-Employee Payroll	13.06%	11.70%	10.54%	10.48%	14.42%	11.88%	13.79%	10.59%	11.81%

TRS Pension Plan

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 490,243	$ 497,005	$ 473,147	$ 509,432	$ 487,774	$ 452,082	$ 420,298	$ 457,021	$ 442,144
Contributions in Relation to the Contractually Required Contribution	490,243	497,005	473,147	509,432	487,774	452,082	420,298	457,021	442,144
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 5,112,023	$ 4,915,974	$ 4,847,818	$ 4,950,748	$ 4,977,286	$ 4,753,754	$ 4,754,502	$ 4,658,726	$ 4,530,164
Contributions as a Percentage of Covered-Employee Payroll	9.59%	10.11%	9.76%	10.29%	9.80%	9.51%	8.84%	9.81%	9.76%

* Information is presented for only years available

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
For the Year Ended June 30, 2026

ERS Pension Plan

	2026	2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net pension liability	0.0034625%	0.0037195%	0.0032610%	0.0028805%	0.0028531%	0.0021767%	0.0023804%	0.0024791%	0.0024715%
District's proportionate share of the net pension (asset) liability	$ 195,347	$ 637,735	$ 480,150	$ 617,687	$ (233,231)	$ 2,167	$ 630,340	$ 175,655	$ 79,767
District's covered-employee payroll	$ 1,590,820	$ 1,414,358	$ 1,248,485	$ 1,019,115	$ 924,779	$ 995,346	$ 882,127	$ 1,158,470	$ 1,020,148
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	12.28%	45.09%	38.46%	60.61%	25.22%	0.22%	71.46%	15.16%	7.82%
Plan fiduciary net position as a percentage of total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%

TRS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the net pension asset/liability	0.0250370%	0.0253900%	0.0268030%	0.0278170%	0.0280170%	0.0280270%	0.0270670%	0.0272370%	0.0283480%
District's proportionate share of the net pension (asset) liability	$ (1,482,444)	$ (757,533)	$ 306,517	$ 533,781	$ (4,855,012)	$ 774,449	$ (703,196)	$ (492,522)	$ (215,472)
District's covered-employee payroll	$ 4,915,974	$ 4,847,818	$ 4,950,748	$ 4,977,286	$ 4,753,754	$ 4,754,502	$ 4,658,726	$ 4,530,164	$ 4,493,339
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	30.16%	15.63%	6.19%	10.72%	102.13%	16.29%	15.09%	10.87%	4.80%
Plan fiduciary net position as a percentage of total pension asset/liability	104.00%	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%

* Information is presented for only years available

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND REAL PROPERTY TAX LIMIT
For the Year Ended June 30, 2026

Change from Adopted Budget to Final Budget

Adopted Budget		$ 19,467,028
Add: Prior Year's Encumbrances		86,234
Original Budget		19,553,262
Add: Legal Settlement		334,456
Add: Donations		16,394
Final Budget		$ 19,904,112

Section 1318 of Real Property Tax Law Limit Calculation

2026-27 voter-approved expenditure budget		$ 19,736,110
Maximum allowed (4% of 2026-27 budget)		$ 789,444
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance:		
Assigned fund balance	1,690,383	
Unassigned fund balance	648,803	
Total unrestricted fund balance	2,339,186	
Less:		
Appropriated fund balance	1,688,651	
Encumbrances included in committed and assigned fund balance	1,732	
Total adjustments	1,690,383	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 648,803
Actual percentage		3.29%

See Independent Auditor's Report.

ORISKANY CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2026

			Expenditures				Methods of Financing					Fund
	Original Authorization	Revised Authorization	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Federal and State Aid	Local Sources	Transfer to Debt Service	Total	Balance June 30, 2026
PROJECT TITLE												
Capital Project #1 - District Wide Smart Schools	$ 659,180	$ 659,180	$ 648,759	$	$ 648,759	$ 10,421	$	$ 563,873	$ 100,000		$ 663,873	$ 15,114
Elementary Phase #3	2,028,805	2,461,600	2,327,682		2,327,682	133,918	1,994,091		333,591		2,327,682	
Capital Outlay Project-Cameras Jr/Sr High School	100,000	100,000	91,671		91,671	8,329			100,000		100,000	8,329
Capital Project #2 - District Wide Renovations	5,283,015	5,283,015	5,132,901	10,684	5,143,585	139,430	3,817,125	254,731	1,809,039	(534,642)	5,880,895	202,668
Capital Improvement Project 2022-2024	13,000,000	13,000,000	12,873,406		12,873,406	126,594	10,900,000		2,000,000		12,900,000	26,594
Totals	$ 21,071,000	$ 21,503,795	$ 21,074,419	$ 10,684	$ 21,085,103	$ 418,692	$ 16,711,216	$ 818,604	$ 4,342,630	$ (534,642)	$ 21,872,450	$ 252,705

See Independent Auditor's Report.

ORISKANY CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
For the Year Ended June 30, 2026

Capital Assets, Net	$ 26,509,308
Add:	
Capital Restricted Cash	97,710
Deduct:	
Serial Bonds Payable	12,730,000
Accounts Payable	895
Lease Liability	83,388
Premium on Bonds Payable	938,618
Total Deductions	13,752,901
Net Investment in Capital Assets	$ 12,854,117

ORISKANY CENTRAL SCHOOL DISTRICT
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2026

	School Lunch	Miscellaneous Special Revenue	Total
Assets			
Cash and Cash Equivalents	$ 49,635	$	$ 49,635
Restricted Cash and Cash Equivalents		26,154	26,154
Receivables			
Due From Other Governments	73,178		73,178
Due From Other Funds	20,716		20,716
Total Assets	$ 143,529	$ 26,154	$ 169,683

	School Lunch	Miscellaneous Special Revenue	Total
Liabilities			
Due To			
Other Funds	$	$ 2,500	$ 2,500
Fund Balance			
Restricted		23,654	23,654
Assigned	143,529		143,529
Total Fund Balance	143,529	23,654	167,183
Total Liabilities and Fund Balance	$ 143,529	$ 26,154	$ 169,683

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

ORISKANY CENTRAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	School Lunch	Miscellaneous Special Revenue	Total Non-Major Funds
Revenues			
Use of Money and Property	$ 73,302	$ 113	$ 73,415
Miscellaneous		2,350	2,350
State Aid	20,716		20,716
Total Revenues	94,018	2,463	96,481
Expenditures			
Instruction		4,025	4,025
Food Service Program	61,725		61,725
Total Expenditures	61,725	4,025	65,750
Excess (Deficit) Revenues Over Expenditures	32,293	(1,562)	30,731
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	32,293	(1,562)	30,731
Fund Balance, Beginning of Year			
Reclassifications of Major Funds to Non-Major Funds	111,236	25,216	136,452
Fund Balance, Beginning of Year (Restated)	111,236	25,216	136,452
Fund Balance, End of Year	$ 143,529	$ 23,654	$ 167,183

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