

DANSVILLE CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2026



BUSINESS
ADVISORS
AND CPAS

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Dansville Central School District, New York

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements 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 Dansville Central School District, New York, as of June 30, 2026, and the respective changes in financial position and, where applicable, cash flows thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dansville 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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in District's total OPEB liability and related ratio, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4-20 and 56-61 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dansville Central School District's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents and schedule of expenditures of federal awards 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. Such 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 as listed in the table of contents and schedule of expenditures of federal awards 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 21, 2026 on our consideration of Dansville 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 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 Dansville Central School District's internal control over financial reporting and compliance.

Mengel, Metzger, Barw & Co. LLP

Fairport, New York
September 21, 2026

Dansville Central School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2026

The following is a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2026. This section is a summary of the District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total assets plus deferred outflows (what the District owns) exceeded its total liabilities plus deferred inflows (what the District owes) by \$26,372,914 (net position) an increase of \$7,312,864 from the prior year.

General revenues which include Federal and State Aid, Real Property Taxes, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$39,368,825 or 91% of all revenues. Program specific revenues in the form of Charges for Services and Operating Grants and Contributions, accounted for \$4,078,209 or 9% of total revenues.

As of the close of the fiscal year, the District's governmental funds reported combined fund balances of \$24,529,689 an increase of \$2,447,463 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *governmental* activities of the District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances 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, School Lunch Fund, Miscellaneous Special Revenue Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Special Aid Fund, and the Capital Projects Fund which are reported as major funds. Data for the School Lunch Fund, the Debt Service Fund, and the Miscellaneous Special Revenue Fund, are aggregated into a single column and reported as nonmajor funds. Additionally, for each major fund, a detailed analysis of the financial position (fund balance or net position) and results of operations are also provided within the MD&A.

The District adopts, and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

Fiduciary funds are used to account for assets held by the District in an agency capacity which accounts for assets held by the District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

<u>Major Feature of the Government-Wide and Fund Financial Statements</u>			
	Government-Wide Statements	Fund Financial Statements	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education, scholarship programs, and building maintenance	Instances in which the District administers resources on behalf of someone else, such as student activities monies
Required financial statements	Statement of Net Position	Balance Sheet	Statement of Fiduciary Net Position
	Statement of Activities	Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all the District's assets and liabilities. All the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

Financial Analysis of the School District As a Whole

Net Position

	Governmental Activities		Total Variance	Total Percent Variance
<u>ASSETS:</u>	<u>2026</u>	<u>2025</u>		
Current and Other Assets	\$ 34,664,473	\$ 31,015,492	\$ 3,648,981	11.77%
Capital Assets	53,059,574	49,823,871	3,235,703	6.49%
Total Assets	\$ 87,724,047	\$ 80,839,363	\$ 6,884,684	8.52%
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>				
Deferred Outflows of Resources	\$ 8,870,735	\$ 7,705,917	\$ 1,164,818	15.12%
<u>LIABILITIES:</u>				
Long-Term Debt Obligations	\$ 44,281,612	\$ 39,946,923	\$ 4,334,689	10.85%
Other Liabilities	6,366,848	6,530,098	(163,250)	(2.50%)
Total Liabilities	\$ 50,648,460	\$ 46,477,021	\$ 4,171,439	8.98%
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred Inflows of Resources	\$ 19,573,408	\$ 23,008,209	\$ (3,434,801)	(14.93%)
<u>NET POSITION:</u>				
Net Investment in Capital Assets	\$ 35,947,610	\$ 35,691,154	\$ 256,456	0.72%
<u>Restricted For:</u>				
Capital Projects	5,583,187	-	5,583,187	100.00%
Debt Service Reserve	1,752,202	1,446,575	305,627	21.13%
Retirement Contribution Reserve	2,437,163	2,288,294	148,869	6.51%
Unemployment Costs	3,915,455	3,816,221	99,234	2.60%
Capital Reserve	4,173,262	7,866,537	(3,693,275)	(46.95%)
Other Purposes	2,064,078	3,370,955	(1,306,877)	(38.77%)
Unrestricted	(29,500,043)	(35,419,686)	5,919,643	(16.71%)
Total Net Position	\$ 26,372,914	\$ 19,060,050	\$ 7,312,864	38.37%

Key Variances

- Deferred Outflows of Resources increased \$1,164,818 as a result of differences between expected and actual experiences for OPEB.
- Capital Projects increased \$5,583,187 as a result of transfers from Capital Reserves to fund the District's Capital Improvement 2025 Phase II Project.
- Deferred Inflows of Resources decreased \$3,434,801 as a result of amortization of previously estimated Deferred Outflows for OPEB offset by increased Deferred Inflows due to differences between expected and actual experiences for long-term pension liabilities.

The District's financial position is the product of many factors.

By far, the largest component of the District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

There are six restricted net position balances: Capital Projects, Debt Service Reserve, Retirement Contribution Reserve, Unemployment Costs, Capital Reserve, and Other Purposes. The remaining balance of unrestricted net position was a deficit of \$29,500,043 primarily a result of postemployment benefits related to retiree health care obligations for which the district cannot legally fund.

Changes in Net Position

The District's total revenue increased 2% to \$43,447,034. State and federal aid 63% and property taxes 22% accounted for most of the District's revenue. The remaining 15% of the revenue comes from operating grants, charges for services, investment earnings, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services decreased 1% to \$36,134,170. The District's expenses are predominately related to education and caring for the students (instruction) 69%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 17% of the total costs. See table below:

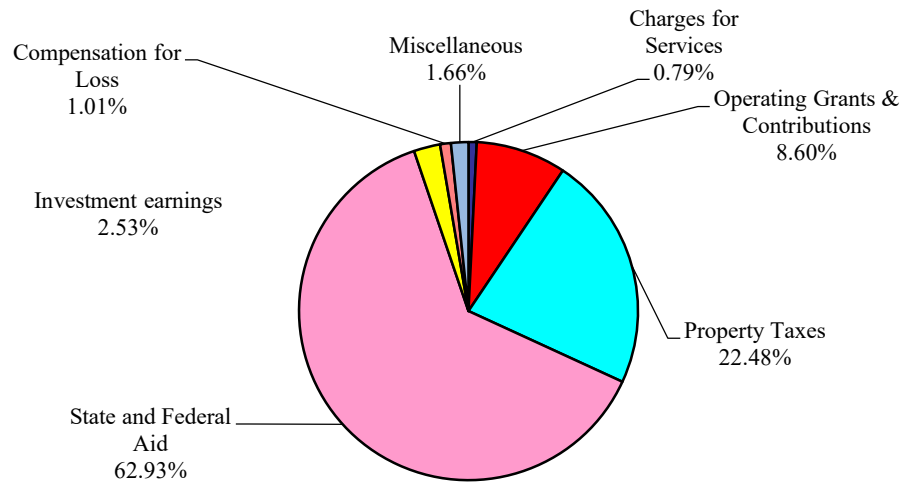
	Governmental Activities		Total	Total
	<u>2026</u>	<u>2025</u>	<u>Variance</u>	<u>Percent Variance</u>
<u>REVENUES:</u>				
<u>Program -</u>				
Charges for Service	\$ 342,071	\$ 319,413	\$ 22,658	7.09%
Operating Grants & Contributions	3,736,138	3,617,107	119,031	3.29%
Total Program	\$ 4,078,209	\$ 3,936,520	\$ 141,689	3.60%
<u>General -</u>				
Property Taxes	\$ 9,765,073	\$ 9,481,908	\$ 283,165	2.99%
State and Federal Aid	27,340,207	27,460,060	(119,853)	(0.44%)
Investment Earnings	1,097,567	1,060,787	36,780	3.47%
Compensation for Loss	440,750	17,947	422,803	2355.84%
Miscellaneous	725,228	804,719	(79,491)	(9.88%)
Total General	\$ 39,368,825	\$ 38,825,421	\$ 543,404	1.40%
TOTAL REVENUES	\$ 43,447,034	\$ 42,761,941	\$ 685,093	1.60%
<u>EXPENSES:</u>				
General Support	\$ 6,049,224	\$ 5,592,373	\$ 456,851	8.17%
Instruction	24,871,723	25,726,674	(854,951)	(3.32%)
Pupil Transportation	3,325,841	3,407,272	(81,431)	(2.39%)
School Lunch	1,264,830	1,264,436	394	0.03%
Interest	622,552	464,647	157,905	33.98%
TOTAL EXPENSES	\$ 36,134,170	\$ 36,455,402	\$ (321,232)	(0.88%)
CHANGE IN NET POSITION	\$ 7,312,864	\$ 6,306,539		
NET POSITION, BEGINNING OF YEAR	19,060,050	12,753,511		
NET POSITION, END OF YEAR	\$ 26,372,914	\$ 19,060,050		

The overall change in net position increased \$7,312,864 which is \$1,006,325 higher than the prior year change in net position.

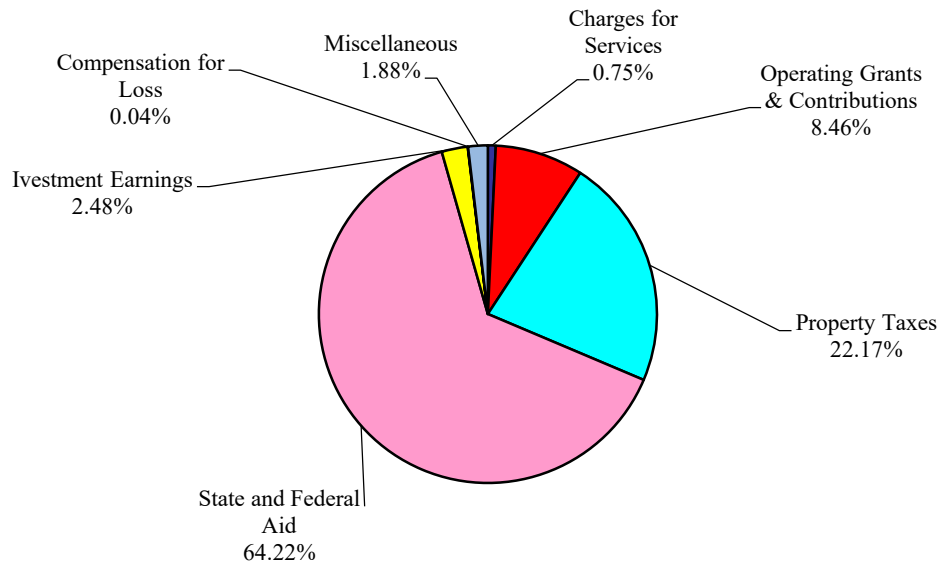
Key Variances

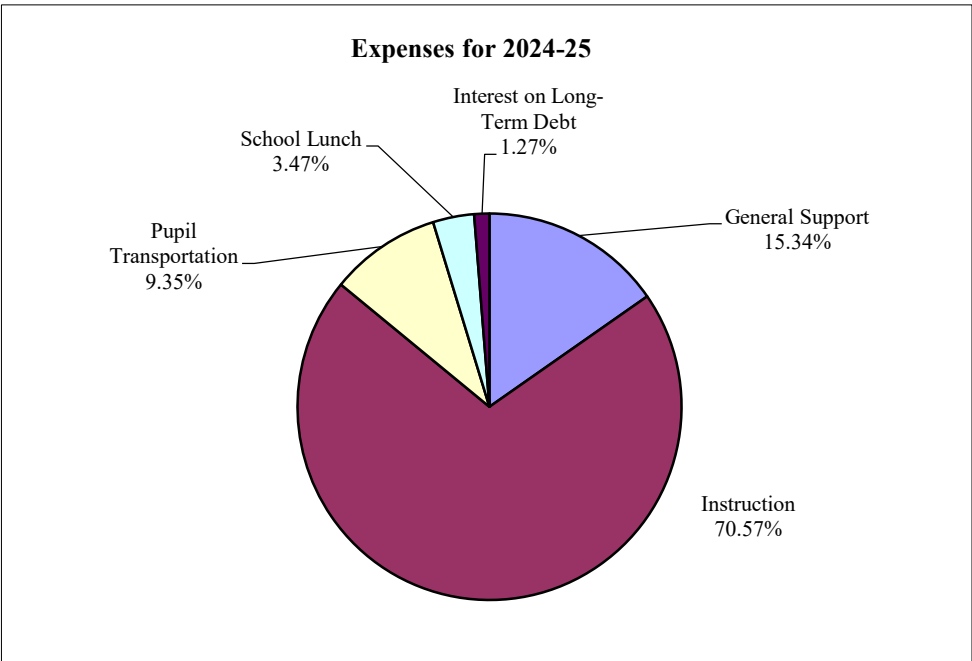
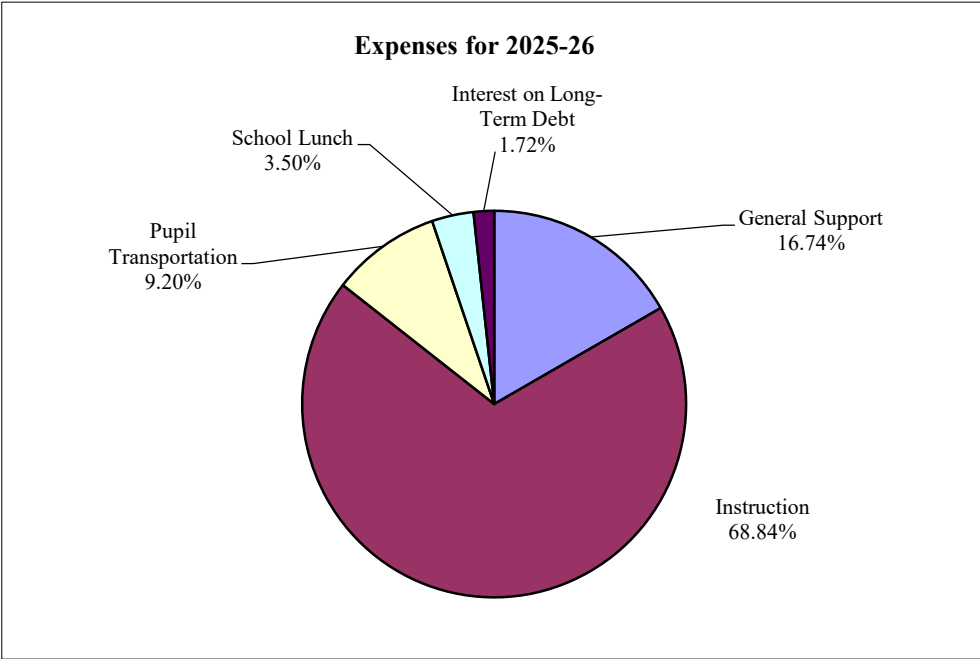
- Compensation for Loss increased \$422,803 as a result of insurance recovery payments for emergency roof repairs and vehicle damages.

Sources of Revenue for 2025-26



Sources of Revenue for 2024-25





Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$24,529,689 which is more than last year's ending fund balance of \$22,082,226. The District reports three major governmental funds individually in the governmental funds financial statements. Those funds are the General Fund, the Special Aid Fund, and the Capital Projects Fund.

General Fund

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$16,666,090. Fund balance for the General Fund decreased by \$2,428,086 compared with the prior year, which was primarily a result of voter approved transfers from Capital Reserves of \$4,615,000 to fund the District's Capital Improvement 2025 Phase II Project. See table below:

<u>General Fund:</u>	<u>2026</u>	<u>2025</u>	<u>Total Variance</u>	<u>Total Percent Variance</u>
Total Revenues	\$ 39,322,458	\$ 38,883,141	\$ 439,317	1.13%
Total Expenditures	35,691,613	34,545,278	1,146,335	3.32%
Other Financing Sources				
Transfers-Out	6,058,931	1,459,514	4,599,417	315.13%
Change in Fund Balance	<u>\$ (2,428,086)</u>	<u>\$ 2,878,349</u>	<u>\$ (5,306,435)</u>	<u>(184.36%)</u>
Fund Balance				
Restricted	\$ 12,337,140	\$ 15,816,276	\$ (3,479,136)	(22.00%)
Assigned	2,557,362	1,584,119	973,243	61.44%
Unassigned	1,771,588	1,693,781	77,807	4.59%
Total Fund Balance	<u>\$ 16,666,090</u>	<u>\$ 19,094,176</u>	<u>\$ (2,428,086)</u>	<u>(12.72%)</u>

Restricted Fund Balance – is the largest component of fund balance, 34% relate to the capital reserves and 32% relate to the unemployment costs. A detail of the restricted reserves can be found in the footnotes to the financial statements.

As indicated above, the District appropriated \$3,202,703 in reserve funds to support the 2026-27 budget which represents 7.23% of the budget and is \$228,047 more than the prior year. The appropriated reserves are included in the restricted fund balance and if expended would reduce those funds to \$9,134,437.

Assigned Fund Balance – represents the smallest portion of fund balance consisting of encumbrances for items that have been ordered but not yet received. The District has also appropriated fund balances to support next year's budget totaling \$1,500,000 representing 3% of next years budget.

Unassigned Fund Balance – increased 5% over the prior year and represents 4% of the subsequent years budget and is within the requirements of Section 1318 of the Real Property Tax Law. These funds are available for cash flow and unanticipated ordinary contingent expenditures.

The District appropriated funds from the following reserves to support the budget:

	<u>2026-27</u>	<u>2025-26</u>	<u>Total Variance</u>	<u>Total Percent Variance</u>
Unemployment Costs	\$ 1,678,047	\$ 1,400,000	\$ 278,047	19.86%
Retirement Contribution	744,746	744,746	-	0.00%
Teacher Retirement Contribution	34,910	34,910	-	0.00%
Reserve for Debt	490,000	490,000	-	0.00%
Capital Reserve-Transportation	235,000	285,000	(50,000)	(17.544%)
Employee Benefit Accrued Liability	20,000	20,000	-	0.00%
Total	<u>\$ 3,202,703</u>	<u>\$ 2,974,656</u>	<u>\$ 228,047</u>	<u>7.67%</u>

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the acquisition or construction of capital facilities and other capital assets, such as equipment. A Capital Projects Fund must be used if the acquisition or construction is financed in whole or in part from the proceeds of obligations, but may include funding from Federal, State and local sources. At the end of the current year, the total fund balance of the Capital Projects Fund was \$5,709,200 and a summary of the projects can be found in the financial statements.

The largest component of the capital projects fund is the balance in the voter approved Capital Improvement 2025 Phase II Project. Fund balance for the Capital Projects Fund increased by \$4,646,155 compared with the prior year. See table below:

<u>Capital Projects Fund:</u>	<u>2026</u>	<u>2025</u>	<u>Total Variance</u>	<u>Total Percent Variance</u>
Total Expenditures	\$ 6,286,760	\$ 2,872,273	\$ 3,414,487	118.88%
Other Financing Sources				
Transfers-In	5,998,988	1,418,500	4,580,488	322.91%
Proceeds from Obligations	4,563,927	1,341,890	3,222,037	240.11%
BANs Redeemed from Appropriations	370,000	-	370,000	100.00%
Change in Fund Balance	<u>\$ 4,646,155</u>	<u>\$ (111,883)</u>	<u>\$ 4,758,038</u>	<u>(4252.69%)</u>
Fund Balance				
Restricted	\$ 5,958,963	\$ 1,558,673	\$ 4,400,290	282.31%
Unassigned	(249,763)	(495,628)	245,865	(49.61%)
Total Fund Balance	<u>\$ 5,709,200</u>	<u>\$ 1,063,045</u>	<u>\$ 4,646,155</u>	<u>437.06%</u>

Key Variances

- Expenses increased for construction costs in the Roofing/Asbestos and Capital Improvement 2025.
- Transfers-in for 2026 included \$4.6 million for the Phase II Capital Improvement 2025 Phase II Project and \$1.1 million for BOCES Project.
- Proceeds from Obligations increased as a result of a bond issue for the Roofing/Asbestos project.
- Restricted Fund Balance increased a result of the funding of the Capital Improvement 2025 Phase II Project and BOCES projects.

Special Aid Fund

The Special Aid Fund is a Special Revenue Fund used to account for and report special projects or programs supported in whole or in part by Federal funds or State-funded grants.

<u>Special Aid Fund:</u>	<u>2026</u>	<u>2025</u>	<u>Total Variance</u>	<u>Total Percent Variance</u>
Total Revenues	\$ 2,483,709	\$ 2,454,041	\$ 29,668	1.21%
Total Expenditures	2,543,652	2,495,055	48,597	1.95%
Other Financing Sources				
Transfers-In	59,943	41,014	18,929	46.15%
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>

Key Variances

- State and Federal programs were consistent with prior year programs. Key Federal grants are the Special Education IDEA grants and the Title programs. Key State grants are the Extended School Year Special Education program and UPK program.

Significant Capital Asset and Long-Term Financing Activity

Significant Capital and Right to Use Assets

Capital assets are accounted for at historical (actual) cost or, if the cost is not practicably determinable, at estimated cost. The cost of the capital asset should include ancillary charges necessary to place the asset into use. Donated capital assets and capital assets acquired in a service concession arrangement should be recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date, or the amount at which a liability could be liquidated with the counter party at the acquisition. Right to use assets (leases) are valued at the future minimum lease payment. By the end of the 2026 fiscal year, the District had invested \$53,059,574 in a broad range of capital assets and lease assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets and leased assets, net of accumulated depreciation (capital assets) and amortization (leased assets), is reflected below:

	<u>2026</u>	<u>2025</u>	<u>Total Variance</u>	<u>Total Percent Variance</u>
<u>Capital Assets:</u>				
Land	\$ 152,216	\$ 157,187	\$ (4,971)	(3.16%)
Work in Progress	6,732,284	1,697,125	5,035,159	296.69%
Buildings and Improvements	40,554,127	42,646,540	(2,092,413)	(4.91%)
Machinery and Equipment	5,071,389	4,832,965	238,424	4.93%
Total Capital Assets	\$ 52,510,016	\$ 49,333,817	\$ 3,176,199	6.44%
<u>Lease Assets:</u>				
Equipment	\$ 549,558	\$ 490,054	\$ 59,504	12.14%
Total Lease Assets	\$ 549,558	\$ 490,054	\$ 59,504	12.14%

Key Variances

- Work in Progress increased \$5,035,413 as a result of construction in the Roofing/Asbestos and Capital Improvement 2025 projects.

More detailed information can be found in the notes to the financial statements.

Long-Term Financing Activity

At year end, the District had \$44,281,612 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2026</u>	<u>2025</u>	<u>Total Variance</u>	<u>Total Percent Variance</u>
Serial Bonds Payable	\$ 16,338,233	\$ 13,339,540	\$ 2,998,693	22.48%
Lease Liability	121,771	124,187	(2,416)	(1.95%)
Unamortized Bond Premium	744,197	402,858	341,339	84.73%
OPEB Liability	22,813,035	19,523,997	3,289,038	16.85%
Net Pension Liability	904,774	2,772,252	(1,867,478)	(67.36%)
Teachers' Retirement Incentive	367,500	375,000	(7,500)	(2.00%)
Retainage Payable	33,776	53,587	(19,811)	(36.97%)
Compensated Absences	2,958,326	3,355,502	(397,176)	(11.84%)
Total Long-Term Financing	\$ 44,281,612	\$ 39,946,923	\$ 4,334,689	10.85%

Key Variances

- Serial Bonds Payable increased \$2,998,693 as a result of the \$4.6 million bond issue, less payments on existing bonds.
- Unamortized Bond Premium increased \$341,339 as a result of \$370,000 of premiums received from \$4.6 million bond issue.
- Net Pension Liability decreased \$1,867,478 as a result of overall performance of the NYS Employee Retirement System.

NYS ERS and TRS Pension Systems

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State are members of the New York State and Local Employees' Retirement System ("ERS"). In the District's 2026-27 budget, the appropriation for payments to ERS is \$1,355,150.

Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS" and collectively with ERS, the "Retirement Systems"). Payments to the TRS are deducted from the District's State aid payments. In the District's 2026-27 budget, the appropriation for payments to TRS is \$1,125,860.

The average contribution rate for the ERS for the 2025-26 fiscal year is 16.5%. The average contribution rate for the TRS for the 2025-26 fiscal year is 9.59%. The funding status of the ERS pension system as of March 31, 2026 indicates the System is funded at 97.78% while the TRS System is funded at 104%. As a result, the Teachers Retirement System reports a net pension asset totaling \$3,184,846.

Other Postemployment Benefits (OPEB)

The District and other municipal units of government in the State are prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees.

OPEB consists primarily of health care benefits and may include other benefits such as disability benefits and life insurance. There is no authority in current State law to establish a trust account in order to fund any part of this liability, however, the District budgets and pays the actual costs relating to this expenditure in the General Fund.

Bond Rating

The underlying rating assigned to the District by Moody's Investors Service, Inc., is a A1 rating, which was assigned in connection with the issuance by the district of \$1,330,000 School District Refunding (Serial) Bonds dated November 21, 2019 and was affirmed in March 24, 2021, was stated in the most recent Issuer Comment Report dated January 31, 2025.

The underlying rating assigned to the District by S&P Global Ratings, a division of S&P Global Inc., is an A+ rating, which was assigned in connection with the issuance by the District of \$6,270,000 School District (Serial) Bonds dated June 3, 2021.

More detailed information can be found in the notes to the financial statements.

Currently Known Facts, Decision or Conditions

Employee Contracts

The District has the following significant employee contracts:

<u>Contracts</u>	<u>Periods Covered</u>
Dansville Teachers' Association	07/01/22-06/30/25
Dansville Support Staff Association	07/01/23-06/30/26
Dansville Transportation Union	07/01/24-06/30/27
Dansville Administrators' Association	07/01/24-06/30/27

The District currently has 285 full-time and 17 part-time employees.

The District is currently negotiating with the Dansville Support Staff Association.

Unemployment Rate

Unemployment statistics are not available for the District as such, smallest area for which such statistics are available (which includes the District) is Livingston County. The data set forth below with respect to the County.

	County	New York State	U.S.
<u>Year</u>	<u>Unemployment</u>	<u>Unemployment</u>	<u>Unemployment</u>
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
2021	4.4%	7.1%	5.3%
2022	3.4%	4.3%	3.6%
2023	3.5%	4.1%	3.6%
2024	3.8%	4.3%	4.0%

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 (herein referred to as the “Tax Levy Limit Law” or “Law”) was signed by the Governor. The Tax Levy Limit Law modifies current law by imposing a limit on the amount of real property taxes that a school district may levy. The Law will affect school district tax levies for the school district financial year beginning July 1, 2012. On April 12, 2019 the enacted State budget legislation for fiscal year 2020 made the Tax Levy Limitation Law permanent.

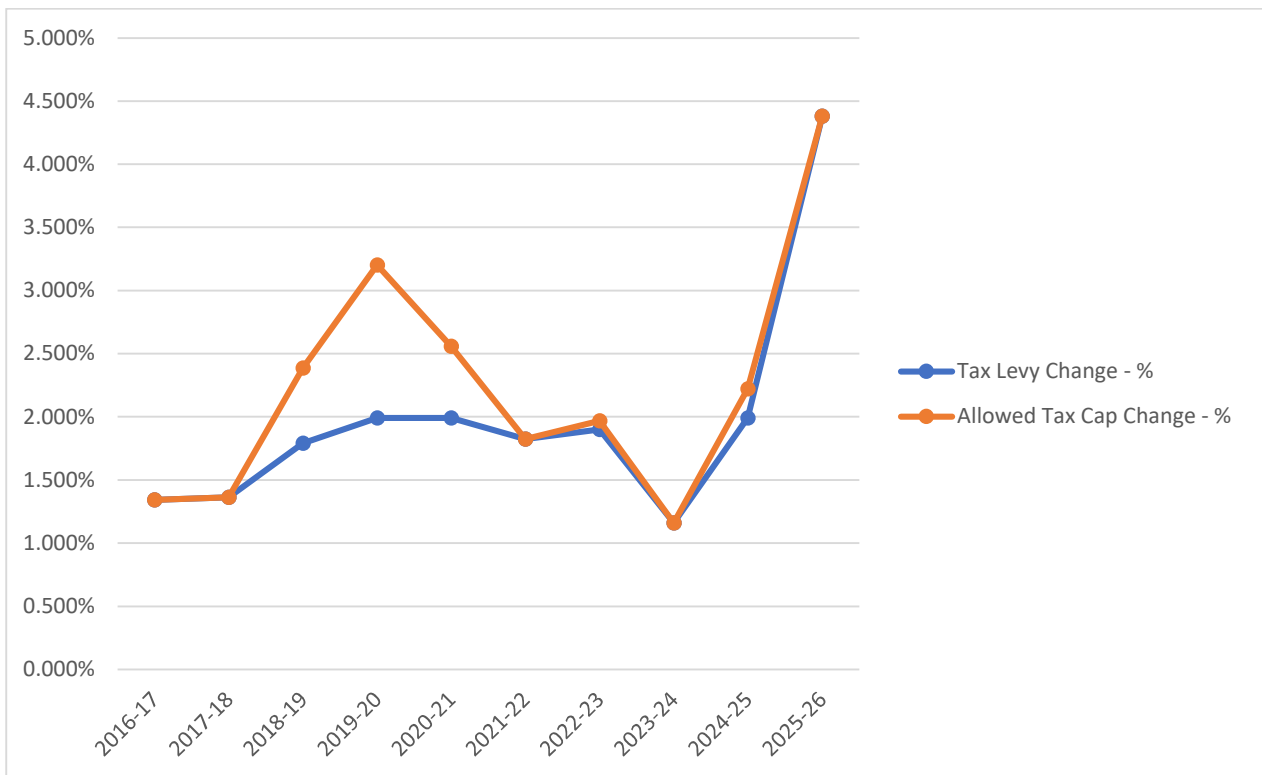
Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

The Tax Levy Limit Law imposed a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, as described in the Law. Tax levies that do not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a tax levy in excess of the limit. In the event the voters reject the tax levy, the school district’s tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

The Law sets forth several exceptions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on voter approved capital expenditures, certain pension cost increases, and other items enumerated in the Law. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Law provides an express exception from the limitation for those taxes to be levied to pay the local share of debt service on voter approved capital expenditures. However, Such exception would not apply to taxes to be levied commencing in the 2012-13 fiscal year of a school district to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari payments.

Summary of Percent Change in Tax Levy, Tax Cap, True Tax Rate, and Taxable Full Valuation



As indicated above, the District has consistently adopted budgets with tax levy increases at or below the allowable tax levy limit. The District strategically uses prior-year fund balance and reserves to avoid exceeding the allowable tax levy limit and help mitigate the impact of unexpected revenue shortfalls and prevent significant fluctuations in the calculation of tax levy. Additionally, the District carefully evaluates other factors that impact the calculation of tax levy including potential capital exclusions related to capital improvement projects and bus purchases as part of its budget development process.

The 2025-2026 budget included a tax levy increase of 4.38% due to the expiration of two separate PILOTs (Payments in Lieu of Taxes). Fortunately, approximately 1.6% of the 4.38% increase was covered by the companies whose PILOTs expired. The District has no control over PILOTs, as they are administered by local Industrial Development Agencies (IDAs). The District strategically uses prior-year fund balance and reserves to help mitigate the impact of unexpected revenue changes and prevent significant fluctuations in tax levy increases.

2026-27 Budgetary Information

On May 19, 2026, the voters of the District approved the proposed 2026-27 budget totaling \$44,289,700 with a 65.68% approval rate.

The overall expenditure budget increased 4.59%, while the local tax levy increased 2.39% which is within the property tax cap.

Although the District foundation aid increased \$391,194 based on state aid runs this was offset by projected increases to utilities of \$58,395, employee health insurance of \$792,830, retiree health insurance of \$136,780, and special education-student placements of \$55,015.

Dansville Central School District's budget reflects investments that expand graduation pathways, strengthen connections between students and community opportunities, and enhance the overall student experience. We are also proud that this budget continues to prioritize people — the dedicated educators and staff who make our district exceptional. Through thoughtful planning, the district has maintained the vast majority of positions affected by retirements or resignations while continuing to support classroom instruction and student services.

We also faced significant financial challenges this year. Rising costs in employee health insurance, retiree benefits, utilities, liability insurance, and transportation have placed considerable pressure on school budgets statewide. In addition, federal funding from the Stronger Connections Grant, which supported student mental health and community partnerships over the past three years, has now expired.

Despite these challenges, application of our Long-term Fiscal Planning Guide, careful planning, and responsible use of district reserves have allowed us to present a balanced budget proposal of \$44,289,700 for the 2026-2027 fiscal year.

This budget continues to reflect our community's longstanding commitment to fiscal responsibility. Approximately 71% of the budget directly supports instructional programs and student services, ensuring that the greatest share of resources continues to benefit the classroom and student learning experiences.

In addition, there were three separate proposals in the budget relating the purchase of four gas/diesel school buses and vehicles at an estimated maximum aggregate cost of \$599,000, a reserve fund expenditure allowing the district to expend up to \$80,000 from an existing capital reserve fund to purchase a tractor, and the purchase of a zero-emission electric school bus at an estimated maximum cost of \$499,250. All propositions passed excluding the purchase of a zero-emission bus.

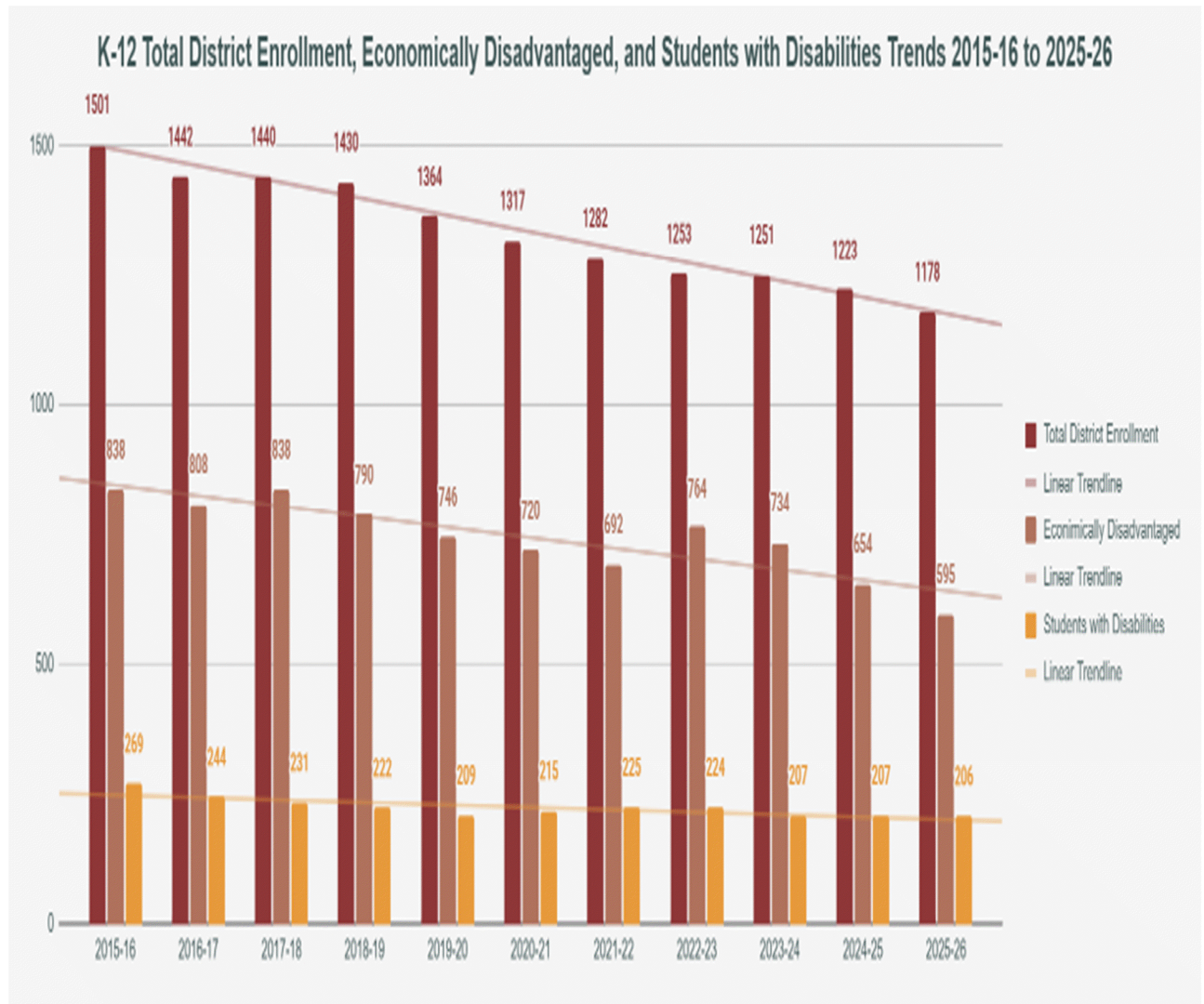
One goal of the District's Strategic Plan is to establish an operations and facilities framework that provides clarity around our fiscal status, revenue sources, decision-making processes, and budgeting priorities while maintaining high quality facilities and operations to achieve long-term financial stability and community engagement. The district's long-term capital plan is aligned to the goal. Current projects include the 2025 Phase I and Phase II Capital Improvement Projects, which largely address the Building Conditions Survey conducted in 2021. The 2025 Phase I Project for \$5,852,695 addresses critical roof replacements and infrastructure needs at our Primary School. The 2025 Phase II Project for \$23,350,000 addresses code compliance and safety requirements, asset preservation needs, and replacement of infrastructure and mechanical systems that are out of warranty or past their life expectancy throughout our District buildings.

Future capital projects will be informed by the results of the 2026 Building Condition Survey and will be developed with consideration of factors such as tax cap exclusions, maximum cost allowance limitations, incidental project costs, and available debt service funding. Based on current planning assumptions, the District anticipates undertaking its next capital improvement project as early as 2028.

Enrollment Information

The school district enrollment also impacts the budget process. The following graphs highlight some of the key District trends:

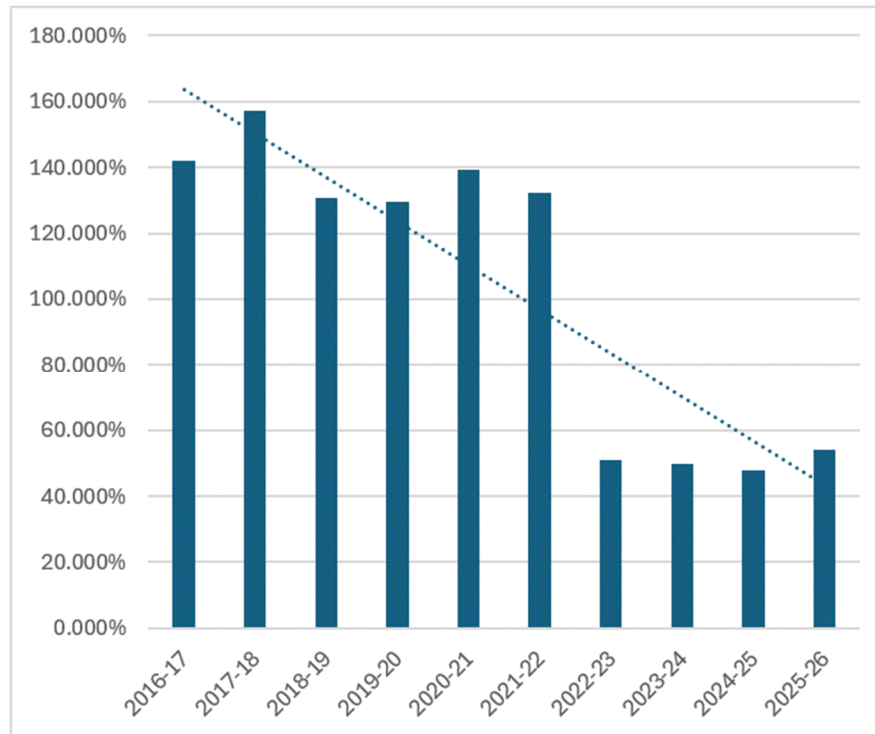
District Students: K-12 Total Enrollment, Economically Disadvantaged and Students with Disabilities Trends 2015-16 to 2025-26



The District has experienced a decrease in K-12 student enrollment of 323 students from the 2015-2016 school year to the 2025-2026 school year, which represents a 21.5% decrease. During the same timeframe the percentage of students with disabilities has been steady ranging from 15.3% in 2019-2020 to 17.9% in 2015-2016. Approximately 17.5% of students are identified as students with disabilities in the 2025-2026 school year.

Other Postemployment Benefits (OPEB)

The chart below shows the total OPEB obligation as a percentage to the General Fund budget.



The District continues to see this expenditure as having a significant impact on the overall budget. The District reviews and evaluates the health insurance programs we participate in on an annual basis in order to control the overall cost of health insurance for our active and retired employees. Through our participation in the Finger Lakes Area School Health Plan (FLASHP) we have made available new programs for health savings accounts and other subsidy plans to help control those costs. The District reduced its retiree health insurance liability by negotiating changes to retiree health insurance benefits in both the Dansville Teachers' Association and Dansville Support Staff collective bargaining agreements effective July 1, 2025 and July 1, 2026 respectively. Under the Dansville Teachers' Association agreement, employees hired on or after July 1, 2025, will be responsible for 100% of their health insurance costs upon reaching Medicare eligibility. Under the Dansville Support Staff agreement, employees hired on or after July 1, 2026, will be responsible for 100% of their health insurance costs beginning at age 65.

Zero Emission Vehicle Mandate

New York State has amended its school bus electrification requirements. Under the revised law, all newly purchased school buses must be zero-emission beginning in 2032, and all school buses operating statewide must be zero-emission by 2040. This extends the original deadlines of 2027 for new purchases and 2035 for full fleet compliance.

To support this transition, New York State has allocated more than \$500 million through the Environmental Bond Act and the New York School Bus Incentive Program (NYSBIP). These programs provide funding for the purchase of zero-emission school buses, charging infrastructure, and Fleet Electrification Plans to assist school districts in meeting the required timelines.

The District successfully applied for and was awarded a NYSBIP grant in the amount of \$257,250 toward the purchase of one zero-emission school bus. A proposition seeking voter authorization for the required local share of the purchase was presented to District residents on May 19, 2026. The proposition was defeated by a vote of 309 to 95.

Pre-K Program

During the 2025–2026 school year, our Prekindergarten program provided high-quality early childhood education through comprehensive three- and four-year-old preschool programs designed to support students' academic, social-emotional, and developmental growth.

The 3PK program served 36 students during the 2025–2026 school year, including 32 students in the full-day program (9:00 a.m. to 3:10 p.m.) and 4 students in the half-day program (9:00 a.m. to 11:45 a.m.). Students were enrolled in two classroom sections of 17 and 19 students, respectively. Each classroom was staffed by one certified teacher and two paraprofessionals, providing a high level of support to meet the developmental needs of our youngest learners.

A unique feature of the 3PK program was the monthly Outdoor Education program, facilitated by classroom teachers in partnership with members of the Dansville community and family volunteers. These experiences promoted hands-on learning, exploration, and connections between school, families, and the local community. Family engagement remained a priority throughout the year. Families were invited to participate in one Family Fun event each month, fostering strong home-school partnerships and encouraging meaningful family involvement in students' early learning experiences.

Students with IEPs received individualized support services as outlined in their plans, including Special Education Itinerant Teacher services, speech-language therapy, occupational therapy (OT), and physical therapy (PT).

The full-day 4PK program served 72 students in a school-day schedule from 7:40 a.m. to 2:20 p.m. Students were enrolled in four classroom sections of 18 students each, with every classroom staffed by one certified teacher and one paraprofessional to provide a supportive and engaging learning environment.

In addition to classroom instruction, students participated in a variety of special-area classes that enriched their educational experience. Students attended Physical Education three times during each six-day cycle and participated in Art, Library, STEAM, and Music once during each six-day cycle.

Developmental support services were available to ensure students' individual needs were met. Building-level speech services through the Speedy Speech program were provided to students who qualified through the screening process. Students with Individualized Education Programs (IEPs) received appropriate related services, including Special Education Itinerant Teacher (SEIT) services, speech-language therapy, occupational therapy (OT), and physical therapy (PT).

Overall, the Prekindergarten program continued to provide developmentally appropriate instruction, individualized supports, enriching educational experiences, and meaningful family engagement opportunities that helped establish a strong foundation for lifelong learning. Enrollment in 3PreK has declined from 56 students in 2024-2025 to 36 students in 2025-2026 and 35 students in 2026-2027. This declining enrollment, coupled with changes made by the New York State Education Department to UPK funding, which is now based on actual enrollment at a per-pupil rate, could result in a reduction in revenue available to the District to support these important programs.

Contacting the School District's Financial Management

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

Dansville Central School District
337 Main Street
Dansville, New York 14437-1199

DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2026

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 27,475,062
Investments	356,908
Accounts receivable	3,619,904
Inventories	27,753
Net pension asset	3,184,846
Capital Assets:	
Land	152,216
Work in progress	6,732,284
Other capital assets (net of depreciation)	46,175,074
TOTAL ASSETS	\$ 87,724,047
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	\$ 8,870,735
 LIABILITIES	
Accounts payable	\$ 1,053,665
Accrued liabilities	272,911
Unearned revenues	97,514
Due to other governments	111,050
Due to teachers' retirement system	1,134,907
Due to employees' retirement system	206,671
Bond anticipation notes payable	3,476,890
Other Liabilities	13,240
Long-Term Obligations:	
Due in one year	2,884,860
Due in more than one year	41,396,752
TOTAL LIABILITIES	\$ 50,648,460
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	\$ 19,573,408
 NET POSITION	
Net investment in capital assets	\$ 35,947,610
Restricted For:	
Capital projects	5,583,187
Debt service reserve	1,752,202
Reserve for employee retirement system	2,437,163
Unemployment insurance reserve	3,915,455
Capital reserves	4,173,262
Other purposes	2,064,078
Unrestricted	(29,500,043)
TOTAL NET POSITION	\$ 26,372,914

DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2026

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
				<u>Governmental</u>
				<u>Activities</u>
<u>Primary Government -</u>				
General support	\$ 6,049,224	\$ -	\$ -	\$ (6,049,224)
Instruction	24,871,723	273,430	2,483,709	(22,114,584)
Pupil transportation	3,325,841	-	-	(3,325,841)
School lunch	1,264,830	68,641	1,252,429	56,240
Interest	622,552	-	-	(622,552)
Total Primary Government	\$ 36,134,170	\$ 342,071	\$ 3,736,138	\$ (32,055,961)
General Revenues:				
Property taxes				\$ 9,765,073
State and federal aid				27,340,207
Investment earnings				1,097,567
Compensation for loss				440,750
Miscellaneous				725,228
Total General Revenues				\$ 39,368,825
Changes in Net Position				\$ 7,312,864
Net Position, Beginning of Year				19,060,050
Net Position, End of Year				\$ 26,372,914

DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2026

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 14,626,428	\$ 909,212	\$ 10,788,626	\$ 1,150,796	\$ 27,475,062
Investments	356,908	-	-	-	356,908
Receivables	2,386,497	726,850	377,021	129,536	3,619,904
Inventories	-	-	-	27,753	27,753
Due from other funds	1,961,902	-	-	877,721	2,839,623
TOTAL ASSETS	\$ 19,331,735	\$ 1,636,062	\$ 11,165,647	\$ 2,185,806	\$ 34,319,250

LIABILITIES DEFERRED INFLOWS AND FUND BALANCES

Liabilities -

Accounts payable	\$ 366,667	\$ -	\$ 686,703	\$ 295	\$ 1,053,665
Accrued liabilities	226,291	-	-	27,306	253,597
Notes payable - bond anticipation notes	-	-	3,476,890	-	3,476,890
Due to other funds	4,442	1,542,327	1,292,854	-	2,839,623
Due to other governments	111,023	-	-	27	111,050
Due to TRS	1,134,907	-	-	-	1,134,907
Due to ERS	206,671	-	-	-	206,671
Other liabilities	13,240	-	-	-	13,240
Unearned revenue	-	93,735	-	3,779	97,514
TOTAL LIABILITIES	\$ 2,063,241	\$ 1,636,062	\$ 5,456,447	\$ 31,407	\$ 9,187,157

Deferred Inflows -

Deferred inflows of resources	\$ 602,404	\$ -	\$ -	\$ -	\$ 602,404
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Fund Balances -

Nonspendable	\$ -	\$ -	\$ -	\$ 27,753	\$ 27,753
Restricted	12,337,140	-	5,958,963	2,005,020	20,301,123
Assigned	2,557,362	-	-	121,626	2,678,988
Unassigned	1,771,588	-	(249,763)	-	1,521,825
TOTAL FUND BALANCE	\$ 16,666,090	\$ -	\$ 5,709,200	\$ 2,154,399	\$ 24,529,689

TOTAL LIABILITIES

**DEFERRED INFLOWS AND
FUND BALANCES**

\$ 19,331,735	\$ 1,636,062	\$ 11,165,647	\$ 2,185,806
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**Amounts reported for governmental activities in the
Statement of Net Position are different because:**

Capital assets/right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds. 53,059,574

Interest is accrued on outstanding bonds in the statement of net position but not in the funds. (19,314)

The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:

Serial bonds payable	(16,338,233)
Unamortized bond premiums	(744,197)
Leases liability	(121,771)
Retainage payable	(33,776)
OPEB liability	(22,813,035)
Compensated absences	(2,958,326)
Teachers' retirement incentive	(367,500)
Net pension asset	3,184,846
Deferred outflow - pension	5,240,847
Deferred outflow - OPEB	3,629,888
Net pension liability	(904,774)
Deferred inflow - pension	(4,275,969)
Deferred inflow - OPEB	(14,695,035)

Net Position of Governmental Activities

\$ 26,372,914

DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2026

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real property taxes and tax items	\$ 9,765,073	\$ -	\$ -	\$ -	\$ 9,765,073
Charges for services	273,430	-	-	-	273,430
Use of money and property	949,454	-	-	288,403	1,237,857
Sale of property and compensation for loss	440,750	-	-	-	440,750
Miscellaneous	553,544	-	-	4,170	557,714
State sources	27,221,985	1,063,793	-	243,473	28,529,251
Federal sources	118,222	1,419,916	-	1,008,956	2,547,094
Sales	-	-	-	68,641	68,641
TOTAL REVENUES	\$ 39,322,458	\$ 2,483,709	\$ -	\$ 1,613,643	\$ 43,419,810
EXPENDITURES					
General support	\$ 5,505,295	\$ -	\$ -	\$ -	\$ 5,505,295
Instruction	16,792,708	2,030,102	-	-	18,822,810
Pupil transportation	2,169,094	120,847	998,754	-	3,288,695
Employee benefits	9,001,148	392,703	-	346,179	9,740,030
Debt service - principal	1,567,650	-	-	370,000	1,937,650
Debt service - interest	655,718	-	-	-	655,718
Cost of sales	-	-	-	587,545	587,545
Other expenses	-	-	-	482,660	482,660
Capital outlay	-	-	5,288,006	-	5,288,006
TOTAL EXPENDITURES	\$ 35,691,613	\$ 2,543,652	\$ 6,286,760	\$ 1,786,384	\$ 46,308,409
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,630,845	\$ (59,943)	\$ (6,286,760)	\$ (172,741)	\$ (2,888,599)
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ -	\$ 59,943	\$ 5,998,988	\$ -	\$ 6,058,931
Transfers - out	(6,058,931)	-	-	-	(6,058,931)
Proceeds from obligations	-	-	4,563,927	-	4,563,927
BAN's redeemed from appropriations	-	-	370,000	-	370,000
Premium on obligations issued	-	-	-	402,135	402,135
TOTAL OTHER FINANCING SOURCES (USES)	\$ (6,058,931)	\$ 59,943	\$ 10,932,915	\$ 402,135	\$ 5,336,062
NET CHANGE IN FUND BALANCE	\$ (2,428,086)	\$ -	\$ 4,646,155	\$ 229,394	\$ 2,447,463
FUND BALANCE, BEGINNING OF YEAR	19,094,176	-	1,063,045	1,925,005	22,082,226
FUND BALANCE, END OF YEAR	\$ 16,666,090	\$ -	\$ 5,709,200	\$ 2,154,399	\$ 24,529,689

DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For The Year Ended June 30, 2026

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS

\$ 2,447,463

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess depreciation in the current period:

Capital Outlay	\$ 5,288,006	
Additions to Assets, Net	1,159,563	
Depreciation and Amortization	<u>(3,211,866)</u>	
		3,235,703

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:

Debt Repayments	\$ 1,937,650	
Proceeds from Bond Issuance	(4,563,927)	
Unamortized Bond Premium	<u>(341,339)</u>	
		(3,337,616)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (406)

The retainage payable does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. 19,811

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. 3,574,790

(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds

Teachers' Retirement System	1,115,746
Employees' Retirement System	(147,303)

In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:

Compensated Absences	\$ 397,176	
Retiree Incentives	<u>7,500</u>	
		<u>404,676</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 7,312,864

DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2026

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 129,396
TOTAL ASSETS	<u>\$ 129,396</u>
NET POSITION	
Restricted for individuals, organizations and other governments	\$ 129,396
TOTAL NET POSITION	<u><u>\$ 129,396</u></u>

Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2026

	<u>Custodial Funds</u>
ADDITIONS	
Library taxes	\$ 609,000
Student activity	157,135
TOTAL ADDITIONS	<u>\$ 766,135</u>
DEDUCTIONS	
Student activity	\$ 137,123
Library taxes	609,000
TOTAL DEDUCTIONS	<u>\$ 746,123</u>
CHANGE IN NET POSITION	\$ 20,012
NET POSITION, BEGINNING OF YEAR	<u>109,384</u>
NET POSITION, END OF YEAR	<u><u>\$ 129,396</u></u>

DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2026

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Dansville Central School District is governed by the laws of New York State. The 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 District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement No. 61, *The Financial Reporting Entity*. 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 District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the District's reporting entity.

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office. The District accounts for assets held for various student organizations in the Custodial Fund.

B. Joint Venture

The District is a component of the Genesee-Livingston-Steuben-Wyoming Counties Board of Cooperative Educational Services (Genesee Valley BOCES) The 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.

(I.) (Continued)

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

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

During the year, the District was billed \$5,875,968 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$2,158,413.

Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation

1. District-wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, 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 non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital specific grants.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program 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.

2. Fund Statements

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

(I.) (Continued)

The District reports the following governmental funds:

a. **Major Governmental Funds** –

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

Special Aid Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Capital Projects Fund - Used to account for the acquisition construction or major repair of capital facilities.

b. **Nonmajor Governmental Funds** - The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

School Lunch Fund - Used to account for transactions of the District’s lunch, breakfast and milk programs.

Miscellaneous Special Revenue Fund – used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

c. **Fiduciary** - Fiduciary activities are those in which the 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 District, and are not available to be used.

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

D. **Measurement Focus and Basis of Accounting**

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

(I.) (Continued)

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 12, 2025. Taxes are collected during the period September 1 to October 31, 2025.

Uncollected real property taxes are subsequently enforced by the Counties of Steuben and Livingston (the Counties), in which the District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

F. Restricted Resources

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

G. Interfund Transactions

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

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds.

(I.) (Continued)

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

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

H. 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, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits, and ben-term investments with original maturities of three months or less from the date of acquisition.

New York State Law governs the District's investment policies. Resources must be deposited in 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.

J. Investments

The District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS) local government investment pool. NYCLASS measures its investments at fair value in accordance with Paragraph 41 of GASB Statement 79 and Paragraph 11 of GASB Statement 31, and therefore a participant's investment in NYCLASS is not required to be categorized within the fair value hierarchy for purposes of 81a(2) of GASB Statement 72.

K. Receivables

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

In addition, the District will report a receivable relating to a lease arrangement. The receivable is recorded at the present value of the future payments and recognized over the life of the lease.

No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

(I.) (Continued)

L. Inventory and Prepaid Items

Inventories of food and/or supplies for school lunch are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A non-spendable fund balance for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

M. Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives and capitalization threshold by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	15-50 Years
Machinery and Equipment	\$ 5,000	SL	5-25 Years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

N. Right To Use Assets

The District-wide financial statements, right-to-use-assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 3 and 5 years based on the contract terms and/or estimated replacement of the assets.

O. Unearned Revenue

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

(I.) (Continued)

P. Deferred Outflows and Inflows 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 (expenses/expenditure) until that time.

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.

Q. Vested Employee Benefits

1. Compensated Absences

The District, based on policy and/or various negotiated labor or employment contracts, recognizes a liability for compensated absences for leave time that:

- (a) has been earned for services previously rendered by employees.
- (b) has accumulated and is allowed to be carried over into subsequent years.
- (c) is more likely than not to be used as time off or settled (for example paid in cash to the employee or as a payment to an employee flex spending account) during or upon separation from employment.

Based on the criteria listed, only vacation leave, sick leave and sick leave banks meet the qualifications to be recognized as a liability for compensated absences. The total long-term estimated liability for compensated absences is reported as incurred in the District-wide financial statements. The short-term liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Consistent with GASB Statement 101, Compensated Absences, the liability has been calculated using the more likely than not to be used as leave or settled at separation method with the compensated absences liability being calculated based on the pay rates in effect at year end.

R. Other Benefits

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

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

In addition to providing pension benefits, the District provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits may be shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

(I.) (Continued)

S. **Short-Term Debt**

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

T. **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, other postemployment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the funds' financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

U. **Equity Classifications**

1. **District-wide Statements**

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

- a. **Net Investment in Capital Assets** - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.
- b. **Restricted Net Position** - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

On the Statement of Net Position, the following balances represent the restricted for other purposes:

	<u>Total</u>
Retirement Contribution - TRS	\$ 1,056,136
Repair Reserve	113,986
Miscellaneous Special Revenue	252,818
Employee Benefit Accrued Liability Reserve	<u>641,138</u>
Total Net Position - Restricted for Other Purposes	<u><u>\$ 2,064,078</u></u>

(I.) (Continued)

c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications . The reported deficit of \$29,500,043 at year end is the result of full implementation of GASB #75 regarding retiree health obligations and the New York State Pension system unfunded pension obligation.

2. **Fund Statements**

In the fund basis statements there are five classifications of fund balance:

a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes:

	<u>Total</u>
Inventory in School Lunch	\$ 27,753
Total Nonspendable Fund Balance	<u>\$ 27,753</u>

b. **Restricted Fund Balances** – 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. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

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

<u>Name of Reserve</u>	<u>Maximum Funding</u>	<u>Total Funding Provided</u>	<u>Total Year to Date Balance</u>
Capital Building Reserve-2018	\$ 10,000,000	\$ 5,781,367	\$ 2,968,171
Capital Bus Reserve-2022	\$ 2,000,000	\$ 1,039,182	\$ 1,205,091

Reserve for Debt Service - According to General Municipal Law §6-1, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

(I.) (Continued)

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to 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.

Retirement Contribution Reserve - According to General Municipal Law §6-r, must be used financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Teachers' Retirement Reserve - General Municipal Law §6-r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous year's TRS salary.

Repair Reserve - 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.

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 net position the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund and School Lunch Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

(I.) (Continued)

Restricted fund balances include the following:

	<u>Total</u>
<u>General Fund -</u>	
Unemployment Costs	\$ 3,915,455
Retirement Contribution - ERS	2,437,163
Retirement Contribution - TRS	1,056,136
Repair Reserve	113,986
Capital Reserves	4,173,262
Employee Benefit Accrued Liability Reserve	641,138
<u>Capital Projects Fund -</u>	
Capital Projects	5,958,963
<u>Misc Spec Rev Fund -</u>	
Scholarships	252,818
<u>Debt Service Fund -</u>	
Debt Service Reserve	1,752,202
Total Restricted Fund Balance	<u><u>\$ 20,301,123</u></u>

The District appropriated and/or budgeted funds from the following reserves for the 2026-27 budget:

	<u>Total</u>
Unemployment Costs	\$ 1,678,047
Reserve for ERS	744,746
Reserve for TRS	34,910
Reserve for Debt	490,000
Capital Reserve Transportation	235,000
Employee Benefit Accrued Liability	20,000
Total	<u><u>\$ 3,202,703</u></u>

c. **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 District has no committed fund balances as of June 30, 2026.

d. **Assigned Fund Balance** – Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District's purchasing agent through their authorization of a purchase order prior to year-end. The District assignment is based on the functional level of expenditures.

(I.) (Continued)

Management has determined significant encumbrances for the General Fund to be \$128,000 and the Capital Projects Fund to be \$21,000. The District reports the following significant encumbrances:

<u>General Fund -</u>	
General Support	\$ 261,019
Instruction	\$ 588,499
Pupil Transportation	\$ 184,069
<u>Capital Projects Fund -</u>	
Vehicle Maintenance	\$ 41,176
Capital Improvements	\$ 4,967,607

Assigned fund balances include the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 1,057,362
General Fund - Appropriated for Taxes	1,500,000
School Lunch Fund - Year End Equity	121,626
Total Assigned Fund Balance	<u><u>\$ 2,678,988</u></u>

e. **Unassigned Fund Balance** –Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the school district.

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 District’s budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

3. Order of Use of Fund Balance

The District’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, the remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

V. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2026, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*.

(I.) (Continued)

W. Future Changes in Accounting Standards

GASB has issued Statement No. 105, *Subsequent Events*, which will be effective for fiscal years beginning after June 15, 2026.

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

II. Stewardship, Compliance and Accountability

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

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget.

Appropriations established by 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 restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the 2025-26 fiscal year, the budget was increased by \$361,066 for prior year encumbrances and \$4,615,000 for Capital Project Resolutions, \$5,800 for Emergency Repairs, \$1,098,988 Capital Projects with BOCES, \$4,063 for Donations, and \$96,594 for Insurance Recoveries.

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

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

B. 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.

(II.) (Continued)

C. **Deficit Unassigned Fund Balance – Capital Projects Fund**

The Capital Projects Fund had a deficit unassigned fund balance of \$249,763 at June 30, 2026, which is a result of expenses incurred before receiving permanent financing.

III. **Cash and Investments**

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

The U.S. Treasuries within the NYCLASS investment portfolio are backed by the full faith and credit of the United States Government and therefore do not require collateral. New York State Municipal Bonds within the portfolio are backed by the full faith and credit of the State of New York and therefore do not require collateral. The other permissible investment security types are collateralized in accordance with NYS GML Section 10 and the NYCLASS Investment Policy. Repurchase Agreements (repo) are collateralized 102% by either U.S. Treasuries or U.S. Agencies. Certificates of Deposit (CD) also require full collateral; currently NYCLASS CDs are being collateralized by Federal Home Loan Bank (FHLB) Letters of Credit (LOC).

Credit Risk: In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America whether the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the States, obligations issued by other municipalities and authorities with the State, and certain pooled investments NYCLASS is rated by S&P Global ratings. The current rating is AAAM.

Concentration of Credit Risk: To promote competition in rates and service costs, and to limit the risk of institutional failure, District deposits and investments are placed with multiple institutions. The District's investment policy limits the amounts that may be deposited with any one financial institution.

Interest Rate Risk: The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

NYCLASS: The dollar weighted average days to maturity (WAM) of NYCLASS at June 30, 2026, was 40.84 days. The weighted average life (WAL) of NYCLASS at December 31, 2026 was 79.99 days. The WAM of NYCLASS Prime at June 30, 2026 was 39.11 days and the WAL was 60.46 days.

A. **Cash**

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$ -
Collateralized with Securities held by the Pledging	28,450,259
Total	\$ 28,450,259

(III.) (Continued)

B. Investment Pool

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants.

Total investments of the cooperative as of year end are \$356,908, which consisted of \$76,378 in repurchase agreements, \$258,794 in U.S. Treasury Securities, \$6,567 in FDIC insured deposits and \$15,169 in collateralized bank deposits, with various interest rates and due dates.

<u>Fund</u>	<u>Fair Value</u>	<u>Type of Investment</u>
General Fund	\$ 356,908	NYCLASS

Restricted Cash and Investments: represents cash and investments where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and investments as of year end included \$20,180,272 within the governmental funds and \$129,396 in the fiduciary funds.

IV. Receivables

A. Receivables at June 30, 2026 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>				<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	
Accounts Receivable	\$ 82,661	\$ -	\$ -	\$ 1,567	\$ 84,228
Due From State and Federal	682,445	726,850	377,021	127,969	1,914,285
Due From Other Governments	1,018,987	-	-	-	1,018,987
Lease Receivable	602,404	-	-	-	602,404
Total Receivables	\$ 2,386,497	\$ 726,850	\$ 377,021	\$ 129,536	\$ 3,619,904

District management has deemed the amounts to be fully collectible.

B. Lease Receivable – The District has entered into a lease of their classroom space which terminates in 2033. The future principal and interest collections are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2027	\$ 80,485	\$ 24,391
2028	87,232	20,790
2029	94,372	16,891
2030	101,925	12,675
2031	109,913	8,126
2032-33	128,477	3,259
Total	\$ 602,404	\$ 86,132

V. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2026 were as follows:

	Interfund			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 1,961,902	\$ 4,442	\$ -	\$ 6,058,931
Special Aid Fund	-	1,542,327	59,943	-
Capital Projects Fund	-	1,292,854	5,998,988	-
Nonmajor Funds	877,721	-	-	-
Total	\$ 2,839,623	\$ 2,839,623	\$ 6,058,931	\$ 6,058,931

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures, school lunch programs and debt service expenditures.

VI. Capital Assets

A. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2026</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 157,187	\$ -	\$ 4,971	\$ 152,216
Work in progress	1,697,125	5,133,659	98,500	6,732,284
<i>Total Nondepreciable</i>	<u>\$ 1,854,312</u>	<u>\$ 5,133,659</u>	<u>\$ 103,471</u>	<u>\$ 6,884,500</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 81,171,275	\$ 179,139	\$ 387,374	\$ 80,963,040
Machinery and equipment	10,227,333	1,073,329	1,135,062	10,165,600
<i>Total Depreciated Assets</i>	<u>\$ 91,398,608</u>	<u>\$ 1,252,468</u>	<u>\$ 1,522,436</u>	<u>\$ 91,128,640</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 38,524,735	\$ 2,183,586	\$ 299,408	\$ 40,408,913
Machinery and equipment	5,394,368	826,304	1,126,461	5,094,211
<i>Total Accumulated Depreciation</i>	<u>\$ 43,919,103</u>	<u>\$ 3,009,890</u>	<u>\$ 1,425,869</u>	<u>\$ 45,503,124</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 47,479,505</u>	<u>\$ (1,757,422)</u>	<u>\$ 96,567</u>	<u>\$ 45,625,516</u>
Total Capital Assets	<u>\$ 49,333,817</u>	<u>\$ 3,376,237</u>	<u>\$ 200,038</u>	<u>\$ 52,510,016</u>

(VI.) (Continued)

B. Lease Assets

A summary of the lease asset activity during the year ended June 30, 2026 is as follows:

	<u>Type</u>	<u>Balance</u> <u>7/1/2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2026</u>
<u>Lease Assets:</u>					
Equipment		\$ 981,194	\$ 261,480	\$ 140,672	\$ 1,102,002
Software		28,245	-	-	28,245
<i>Total Lease Assets</i>		<u>\$ 1,009,439</u>	<u>\$ 261,480</u>	<u>\$ 140,672</u>	<u>\$ 1,130,247</u>
<u>Less Accumulated Amortization -</u>					
Equipment		\$ 496,040	\$ 197,076	\$ 140,672	\$ 552,444
Software		23,345	4,900	-	28,245
<i>Total Accumulated Amortization</i>		<u>\$ 519,385</u>	<u>\$ 201,976</u>	<u>\$ 140,672</u>	<u>\$ 580,689</u>
<i>Total Lease Assets, Net</i>		<u><u>\$ 490,054</u></u>	<u><u>\$ 59,504</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 549,558</u></u>

C. Other capital assets (net depreciation and amortization):

Depreciated Capital Assets (net)	\$ 45,625,516
Amortized Lease Assets (net)	549,558
Total Other Capital Assets (net)	<u><u>\$ 46,175,074</u></u>

D. Depreciation/Amortization expense for the period was charged to functions/programs as follows:

<u>Governmental Activities:</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government Support	\$ 118,489	\$ -	\$ 118,489
Instruction	2,446,239	201,976	2,648,215
School Lunch	17,242	-	17,242
Pupil Transportation	427,920	-	427,920
Total Depreciation and Amortization Expense	<u><u>\$ 3,009,890</u></u>	<u><u>\$ 201,976</u></u>	<u><u>\$ 3,211,866</u></u>

VII. Short-Term Debt

Transactions in short-term debt for the year are summarized below:

	<u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>7/1/2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2026</u>
BAN - Construction	6/26/2026	4.00%	\$ 4,285,000	\$ -	\$ 4,285,000	\$ -
BAN - Construction	5/27/2026	4.00%	-	3,476,890	-	3,476,890
Total Short-Term Debt			<u><u>\$ 4,285,000</u></u>	<u><u>\$ 3,476,890</u></u>	<u><u>\$ 4,285,000</u></u>	<u><u>\$ 3,476,890</u></u>

Short-term interest has not been accrued, the short-term interest expense for the year totals to \$171,400.

VIII. Long-Term Debt Obligations

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

	<u>Balance 7/1/2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2026</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
<u>Bonds and Notes Payable -</u>					
Serial Bonds Payable	\$ 13,339,540	\$ 4,518,233	\$ 1,519,540	\$ 16,338,233	\$ 1,948,233
Unamortized bond premium	402,858	374,911	33,572	744,197	58,566
Leases Liability	124,187	45,694	48,110	121,771	49,703
Total Bonds and Notes Payable	\$ 13,866,585	\$ 4,938,838	\$ 1,601,222	\$ 17,204,201	\$ 2,056,502
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 2,772,252	\$ -	\$ 1,867,478	\$ 904,774	\$ -
OPEB Payable	19,523,997	3,289,038	-	22,813,035	-
Teachers' Retirement Incentive	375,000	127,500	135,000	367,500	55,000
Compensated Absences	3,355,502	-	397,176	2,958,326	739,582
Retainage Payable	53,587	-	19,811	33,776	33,776
Total Other Liabilities	\$ 26,080,338	\$ 3,416,538	\$ 2,419,465	\$ 27,077,411	\$ 828,358
Total Long-Term Obligations	\$ 39,946,923	\$ 8,355,376	\$ 4,020,687	\$ 44,281,612	\$ 2,884,860

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2026</u>
<u>Serial Bonds -</u>					
Building Reconstruction	\$ 3,430,000	2015	2030	2.00%-3.00%	\$ 960,000
Building Reconstruction	\$ 6,270,000	2021	2036	2.00%	4,355,000
Building Reconstruction	\$ 5,725,000	2022	2037	5.00%	4,425,000
Bus Bond	\$ 520,000	2023	2028	3.50%-4.36%	225,000
Building Reconstruction	\$ 1,100,000	2023	2038	5.00%	940,000
Bus Bond	\$ 590,000	2025	2029	4.05%	365,000
Bus Bond	\$ 689,540	2025	2030	4.25%	550,000
Bus Bond	\$ 603,233	2026	2031	3.00%-3.76%	603,233
Building Reconstruction	\$ 3,915,000	2027	2041	5.00%	3,915,000
Total Serial Bonds					\$ 16,338,233
<u>Leases -</u>					
Leases - copiers	\$ 69,523	2024	2028	4.80%	\$ 21,589
Leases - copiers	\$ 24,396	2024	2029	4.80%	13,222
Leases - copiers	\$ 62,350	2025	2029	3.96%	42,652
Leases - copiers	\$ 45,694	2026	2030	3.77%	44,308
Total Leases					\$ 121,771

(VIII.) (Continued)

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2027	\$ 1,948,233	\$ 705,370	\$ 49,703	\$ 3,335
2028	1,795,000	568,676	35,677	2,125
2029	1,750,000	500,553	25,866	847
2030	1,580,000	434,169	10,525	192
2031	1,215,000	378,044	-	-
2032-36	6,045,000	1,221,850	-	-
2037-38	2,005,000	234,250	-	-
Total	\$ 16,338,233	\$ 4,042,912	\$ 121,771	\$ 6,499

Interest on long-term debt for the year ended June 30, 2026 was composed of:

Interest Paid	\$ 484,318
Less: Interest Accrued in the Prior Year	(18,908)
Less: Amortization of Bond Premiums	(33,572)
Plus: Interest Accrued in the Current Year	19,314
Total Long-Term Interest Expense	\$ 451,152

IX. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Leases	\$ -	\$ 602,404
Pension	5,240,847	4,275,969
OPEB	3,629,888	14,695,035
Total	\$ 8,870,735	\$ 19,573,408

X. Pension Plans

A. General Information

The District participates in the New York State Teacher's Retirement System (TRS) and the New York State and Local Employee's Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

B. Provisions and Administration

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

ERS 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. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. 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 District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3.0% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier 6 vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2026:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2026	\$ 872,886	\$ 1,134,907

(X.) (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2026, the District reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2026 for ERS and June 30, 2025 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2026	June 30, 2025
Net pension assets/(liability)	\$ (904,774)	\$ 3,184,846
District's portion of the Plan's total net pension asset/(liability)	0.016%	0.054%

For the year ended June 30, 2026, the District recognized pension expenses of \$1,038,362 for ERS and (\$91,009) for TRS. At June 30, 2026, the District's reported deferred outflows of resources and deferred inflows of resources related to premiums from the following resources:

	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 517,765	\$ 1,669,569	\$ -	\$ -
Changes of assumptions	155,310	1,260,781	-	34,338
Net difference between projected and actual earnings on pension plan investments	-	-	1,622,310	2,487,356
Changes in proportion and differences between the District's contributions and proportionate share of contributions	134,423	280,375	94,686	37,279
Subtotal	<u>\$ 807,498</u>	<u>\$ 3,210,725</u>	<u>\$ 1,716,996</u>	<u>\$ 2,558,973</u>
District's contributions subsequent to the measurement date	<u>206,671</u>	<u>1,015,953</u>	<u>-</u>	<u>-</u>
Grand Total	<u>\$ 1,014,169</u>	<u>\$ 4,226,678</u>	<u>\$ 1,716,996</u>	<u>\$ 2,558,973</u>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

(X.) (Continued)

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2026	\$ -	\$ 1,659,530
2027	383,771	(631,306)
2028	(581,139)	(667,548)
2029	(342,343)	(94,672)
2030	(369,787)	316,633
Thereafter	-	69,115
Total	\$ (909,498)	\$ 651,752

E. Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2026	June 30, 2025
Actuarial valuation date	April 1, 2025	June 30, 2024
Interest rate	5.90%	6.95%
Salary scale	5.20%	2.04%-5.80%
Decrement tables	April 1, 2020- March 31, 2025 System's Experience	July 1, 2019- June 30, 2024 System's Experience
Inflation rate	2.90%	2.50%
COLA's	1.50%	1.40%

For ERS, annuitant mortality rates are based on April 1, 2020 – March 31, 2025 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

The long-term 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 the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2026 for ERS and June 30, 2025 for TRS are summarized as follows:

(X.) (Continued)

Long Term Expected Rate of Return		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2026	June 30, 2025
<u>Asset Type -</u>		
Domestic equity	3.29%	6.70%
International equity	5.85%	7.40%
Global equity	n/a	7.00%
Private equity	7.00%	9.80%
Real estate	5.20%	6.50%
Opportunistic portfolios	5.13%	n/a
Real assets	5.54%	n/a
Global bonds	n/a	2.40%
Cash	0.25%	0.60%
Private debt	n/a	6.10%
Real estate debt	n/a	3.80%
High-yield bonds	n/a	4.70%
Domestic fixed income	n/a	2.60%
Fixed income	1.75%	n/a
Credit	5.10%	n/a

The real rate of return is net of the long-term inflation assumption of 2.90% for ERS and 2.50% for TRS.

F. Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 6.95% for TRS. 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 Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Sensitivity of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the 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 (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current assumption:

(X.) (Continued)

<u>ERS</u>	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	\$ (6,179,360)	\$ (904,774)	\$ 3,505,013

<u>TRS</u>	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	\$ (6,116,721)	\$ 3,184,846	\$ 11,014,155

H. Pension Plan Fiduciary Net Position

The components of the current year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(In Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2026	June 30, 2025
Employers' total pension liability	\$ 253,773,040	\$ 148,272,069
Plan net position	248,131,290	154,193,125
Employers' net pension asset/(liability)	<u>\$ (5,641,750)</u>	<u>\$ 5,921,056</u>
Ratio of plan net position to the employers' total pension asset/(liability)	97.78%	104.00%

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2026 represent the projected employer contribution for the period of April 1, 2026 through June 30, 2026 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to \$206,671.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2026 are paid to the System in September, October and November 2026 through a state aid intercept. Accrued retirement contributions as of June 30, 2026 represent employee and employer contributions for the fiscal year ended June 30, 2026 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2026 amounted to \$1,134,907.

XI. Postemployment Benefits

A. General Information About the OPEB Plan

Plan Description – The District’s defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At March 31, 2026, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	191
Active Employees	299
Total	490

B. Total OPEB Liability

The District’s total OPEB liability of \$22,813,035 was measured as of March 31, 2026, and was determined by an actuarial valuation reported as of June 30, 2026.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2026 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary Increases	3.30%, average, including inflation
Discount Rate	4.41%
Healthcare Cost Trend Rates	Initial rate of 6.10%, decreasing to an ultimate rate of 3.70%
Retirees' Share of Benefit-Related Costs	Varies between 8.0% and 15.0% depending on contract

The discount rate was based on tax exempt, Fidelity Municipal Go AA 20-Year Bond Rate.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General, and Safety, without separate Contingent Survivor mortality, fully generational using Scale MP-2021.

(XI.) (Continued)

C. **Changes in the Total OPEB Liability**

Balance at June 30, 2025	<u>\$ 19,523,997</u>
<u>Changes for the Year -</u>	
Service cost	\$ 562,880
Interest	839,068
Differences between expected and actual experience	3,029,146
Changes in assumptions or other inputs	(168,356)
Benefit payments	<u>(973,700)</u>
Net Changes	<u>\$ 3,289,038</u>
Balance at June 30, 2026	<u>\$ 22,813,035</u>

There were no changes of benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.39% to 4.41% effective June 30, 2026.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.41%) or 1 percentage-point higher (5.41%) than the current discount rate:

	1% Decrease	Discount	1% Increase
	<u>(3.41%)</u>	<u>(4.41%)</u>	<u>(5.41%)</u>
Total OPEB Liability	\$ 25,569,704	\$ 22,813,035	\$ 20,521,655

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – Healthcare costs can be subject to considerable volatility over time. The following exhibit demonstrates the effect on liabilities of a 1% change in healthcare cost trend rates.

	1% Decrease	Healthcare	1% Increase
	<u>(5.10%</u>	Cost Trend Rates	<u>(7.10%</u>
	<u>Decreasing</u>	<u>Decreasing</u>	<u>Decreasing</u>
	<u>to 2.70%)</u>	<u>to 3.70%)</u>	<u>to 4.70%)</u>
Total OPEB Liability	\$ 20,170,614	\$ 22,813,035	\$ 26,065,495

(XI.) (Continued)

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

For the year ended June 30, 2026, the District recognized OPEB expense of (\$2,599,355). At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,386,463	\$ 10,249,025
Changes of assumptions	-	4,446,010
Contributions after measurement date	243,425	-
Total	<u>\$ 3,629,888</u>	<u>\$ 14,695,035</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year</u>	
2027	\$ (3,832,832)
2028	(3,832,830)
2029	(3,787,320)
2030	(22,273)
2031	211,533
Thereafter	(44,850)
Total	<u>\$ (11,308,572)</u>

XII. Risk Management

A. General Information

The District is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

B. Health Plan

For its employee health and dental insurance coverage the Dansville Central School District is a Participant in the Finger Lakes Area School Health Plan (FLASHP). FLASHP was formed under Article 5-G of the New York State Municipal Law. FLASHP is a non-risk-retained public entity risk pool for its employees' health and dental insurance coverage. The pool is operated for the benefit of municipal corporations (city, town, village, fire district, school district or board of cooperative educational services - BOCES) and community colleges located within the Finger Lakes Region in New York. Current membership includes thirty-seven (37) Participants.

(XII.) (Continued)

FLASHP contracts with an insurance company to provide services for all of its members. FLASHP negotiates and approves annual contracts from the insurance company for the Participants' health and dental insurance coverage. The District is billed directly by and pays the monthly premiums to the insurance carrier for this coverage. The District has essentially transferred all related risks to the insurance carrier. During the year ended June 30, 2026, the District incurred premiums or contribution expenditures totaling \$5,658,592.

C. Workers' Compensation

The District is a Participant in the Genesee-Livingston-Steuben-Wyoming Workers' Compensation Plan (the Plan). The Plan is sponsored by the Genesee-Livingston-Steuben-Wyoming Counties Board of Cooperative Educational Services (Genesee Valley BOCES). The Plan's objectives are to furnish workers' compensation benefits to municipal corporations (city, town, village, school district and board of cooperative educational service – BOCES) at a significant cost savings and to provide for risk management to reduce future liability for workers compensation. Membership in the Plan may be offered to any component district or BOCES from Genesee, Livingston, Steuben or Wyoming Counties, New York or one of the following contiguous counties: Erie, Cattaraugus, Chemung, Monroe, Orleans, Ontario or Niagara with the approval of the Board of Directors. Membership of new Participants becomes effective on the first day of the subsequent Plan year (July 1) unless otherwise authorized by the Board of Directors. Current membership of the Plan includes Participants from fifteen (15) municipal corporations.

Voluntary withdrawal from the Plan is subject to the following constraints:

1. Effective only once annually on the last day of the Plan year.
2. Notice on intention to withdraw must be given in writing to the Chairperson of the Board of Directors and the Treasurer not less than one (1) year prior to the end of the Plan year. Failure to provide at least one (1) years notice, will result in continued membership in the plan for another year unless all other Participants consents to such withdrawal.
3. Participant is responsible for their pro-rata share of exit fees (claim liability fee and administrative fee) or entitled to any pro-rata share of surplus at the end of the Plan year in which withdrawal occurs including actual expenses and recognition of any claims/expenses incurred at the time of withdrawal but not yet paid.
4. Any pro-rata surplus will be paid to the Participant one year after the effective date of termination.
5. Any pro-rata deficit will also be due and payable on or before the end of the pan year prior to exiting.

If a surplus of Participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or returned to the Participants as a dividend. All monies paid to the Treasurer by Participants shall be commingled and administered as a common fund. Except for potential dividends as previously mentioned, no refunds shall be made to a Participant, and no assessments shall be charged to a Participant other than the annual assessment. If the Board of Directors determines that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board of Directors shall determine the amount needed to meet such deficiency and shall assess such amount against all Participants their pro-rata share, such additional assessment is due within sixty (60) days after written notification from the Chairperson of the Board of Directors.

(XII.) (Continued)

The Plan purchases, on an annual basis, stop-loss insurance to limit exposure for claims paid. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. During the year ended June 30, 2026, the District incurred premiums or contribution expenditures totaling \$132,970.

The Plan is audited on an annual basis and is available at the Genesee Valley BOCES administrative offices. The most recent audit available for the year ended June 30, 2025, revealed that the Plan is fully funded.

D. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self-insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2025-26 fiscal year totaled \$1,425. The balance of the fund at June 30, 2026 was \$3,915,455 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2026, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XIII. Commitments and Contingencies

A. Litigation

There are two claims pending against the District which management expects to be covered by its insurers.

B. Grants

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

XIV. Tax Abatement

The County of Livingston IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result the District property tax revenue was reduced \$30,933. The District received payment in lieu of tax (PILOT) payment totaling \$18,647 to help offset the property tax reduction.

Required Supplementary Information
DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in District's Total OPEB Liability and Related Ratio
For The Year Ended June 30, 2026

	TOTAL OPEB LIABILITY									
	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 562,880	\$ 596,683	\$ 583,259	\$ 1,352,837	\$ 1,397,539	\$ 1,334,779	\$ 1,306,577	\$ 1,482,217	\$ 1,388,885	\$ 1,373,722
Interest	839,068	769,056	728,720	1,354,051	1,067,198	1,059,057	1,416,050	1,940,814	1,820,453	1,569,817
Changes in benefit terms	-	-	-	-	627,335	(576,891)	-	-	-	-
Differences between expected and actual experiences	3,029,146	328,455	221,499	(23,473,577)	3,484,233	2,871,485	(8,233,004)	(15,712,884)	2,455,821	2,787,229
Changes of assumptions or other inputs	(168,356)	(896,526)	(535,428)	(6,074,503)	(4,326,592)	824,074	8,053,322	865,611	1,364,564	(3,586,992)
Benefit payments	<u>(973,700)</u>	<u>(966,759)</u>	<u>(957,263)</u>	<u>(1,371,819)</u>	<u>(1,266,025)</u>	<u>(1,031,495)</u>	<u>(998,018)</u>	<u>(1,267,567)</u>	<u>(1,112,478)</u>	<u>(1,073,718)</u>
Net Change in Total OPEB Liability	\$ 3,289,038	\$ (169,091)	\$ 40,787	\$ (28,213,011)	\$ 983,688	\$ 4,481,009	\$ 1,544,927	\$ (12,691,809)	\$ 5,917,245	\$ 1,070,058
Total OPEB Liability - Beginning	<u>19,523,997</u>	<u>19,693,088</u>	<u>19,652,301</u>	<u>47,865,312</u>	<u>46,881,624</u>	<u>42,400,615</u>	<u>40,855,688</u>	<u>53,547,497</u>	<u>47,630,252</u>	<u>46,560,194</u>
Total OPEB Liability - Ending	<u>\$ 22,813,035</u>	<u>\$ 19,523,997</u>	<u>\$ 19,693,088</u>	<u>\$ 19,652,301</u>	<u>\$ 47,865,312</u>	<u>\$ 46,881,624</u>	<u>\$ 42,400,615</u>	<u>\$ 40,855,688</u>	<u>\$ 53,547,497</u>	<u>\$ 47,630,252</u>
 Covered Employee Payroll	 \$ 17,429,603	 \$ 13,556,299	 \$ 13,108,005	 \$ 12,085,955	 \$ 11,501,875	 \$ 11,119,369	 \$ 11,425,482	 \$ 11,069,058	 \$ 10,714,411	 \$ 10,714,411
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 130.89%	 144.02%	 150.24%	 162.60%	 416.15%	 421.62%	 371.11%	 369.10%	 499.77%	 444.54%

(See Independent Auditors' Report)

Required Supplementary Information
DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability
For The Year Ended June 30, 2026

NYSERS Pension Plan										
	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the net pension liability (assets)	0.0160%	0.0162%	0.0160%	0.0147%	0.1183%	0.0110%	0.0072%	0.0102%	0.0106%	0.0103%
Proportionate share of the net pension liability (assets)	\$ 904,774	\$ 2,772,252	\$ 2,357,360	\$ 3,145,323	\$ (967,280)	\$ 10,979	\$ 2,652,438	\$ 721,408	\$ 342,997	\$ 964,599
Covered-employee payroll	\$ 5,877,880	\$ 5,550,815	\$ 4,912,694	\$ 4,522,292	\$ 4,072,684	\$ 3,737,383	\$ 3,463,862	\$ 3,303,606	\$ 3,353,601	\$ 3,100,294
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	15.393%	49.943%	47.985%	69.552%	(23.750%)	0.294%	76.575%	21.837%	10.228%	31.113%
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
NYSTRS Pension Plan										
	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the net pension liability (assets)	0.0538%	0.0585%	0.0598%	0.0619%	0.0604%	0.0608%	0.0606%	0.0640%	0.0646%	0.0648%
Proportionate share of the net pension liability (assets)	\$ (3,184,846)	\$ (1,745,561)	\$ 683,798	\$ 1,187,279	\$ (10,467,439)	\$ 1,678,911	\$ (1,574,148)	\$ (1,157,466)	\$ (490,787)	\$ 694,544
Covered-employee payroll	\$ 10,593,881	\$ 10,539,939	\$ 11,236,536	\$ 11,062,259	\$ 10,824,476	\$ 10,215,269	\$ 10,514,483	\$ 10,660,521	\$ 10,830,631	\$ 10,561,360
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	(30.063%)	(16.561%)	6.085%	10.733%	(96.702%)	16.435%	(14.971%)	(10.857%)	(4.531%)	6.576%
Plan fiduciary net position as a percentage of the total pension liability	104.00%	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%

(See Independent Auditors' Report)

Required Supplementary Information
DANVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
For The Year Ended June 30, 2026

NYSERS Pension Plan										
	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 872,866	\$ 749,335	\$ 577,867	\$ 478,763	\$ 597,011	\$ 487,375	\$ 463,891	\$ 462,834	\$ 477,259	\$ 461,854
Contributions in relation to the contractually required contribution	(872,866)	(749,335)	(577,867)	(478,763)	(597,011)	(487,375)	(463,891)	(462,834)	(477,259)	(461,854)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,877,880	\$ 5,550,815	\$ 4,912,694	\$ 4,522,292	\$ 4,072,684	\$ 3,737,383	\$ 3,463,862	\$ 3,303,606	\$ 3,353,601	\$ 3,100,294
Contributions as a percentage of covered-employee payroll	14.85%	13.50%	11.76%	10.59%	14.66%	13.04%	13.39%	14.01%	14.23%	14.90%
NYSTRS Pension Plan										
	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	1,134,907	\$ 1,169,590	\$ 1,199,307	1,227,853	\$ 1,141,765	\$ 1,051,193	\$ 1,002,100	\$ 1,202,020	\$ 1,138,147	\$ 1,323,049
Contributions in relation to the contractually required contribution	(1,134,907)	(1,169,590)	(1,199,307)	(1,227,853)	(1,141,765)	(1,051,193)	(1,002,100)	(1,202,020)	(1,138,147)	(1,323,049)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 10,593,881	\$ 10,539,939	\$ 11,236,536	\$ 11,062,259	\$ 10,824,476	\$ 10,215,269	\$ 10,514,483	\$ 10,660,521	\$ 10,830,631	\$ 10,561,360
Contributions as a percentage of covered-employee payroll	10.71%	11.10%	10.67%	11.10%	10.55%	10.29%	9.53%	11.28%	10.51%	12.53%

Required Supplementary Information
DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2026

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Over (Under) Original Budget</u>	<u>Current Year's Revenues</u>	<u>Over (Under) Revised Budget</u>
REVENUES					
Local Sources -					
Real property taxes	\$ 8,496,909	\$ 8,496,909	\$ -	\$ 8,522,453	\$ 25,544
Real property tax items	1,243,675	1,243,675	-	1,242,620	(1,055)
Charges for services	218,380	218,380	-	273,430	55,050
Use of money and property	424,880	424,880	-	949,454	524,574
Sale of property and compensation for loss	80,000	176,594	96,594	440,750	264,156
Miscellaneous	400,000	404,063	4,063	553,544	149,481
State Sources -					
Basic formula	24,963,119	21,339,400	(3,623,719)	21,151,414	(187,986)
Lottery aid	-	3,623,719	3,623,719	3,623,719	-
BOCES	2,017,921	2,017,921	-	2,158,413	140,492
Textbooks	73,040	73,040	-	70,949	(2,091)
All Other Aid -					
Computer software	43,750	43,750	-	40,984	(2,766)
Library loan	8,195	8,195	-	7,587	(608)
Handicapped students	50,000	50,000	-	98,215	48,215
Other aid	-	-	-	70,704	70,704
Federal Sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>118,222</u>	<u>18,222</u>
TOTAL REVENUES	<u>\$ 38,119,869</u>	<u>\$ 38,220,526</u>	<u>\$ 100,657</u>	<u>\$ 39,322,458</u>	<u>\$ 1,101,932</u>
Other Sources -					
Transfer - in	<u>\$ 490,000</u>	<u>\$ 490,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (490,000)</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 38,609,869</u>	<u>\$ 38,710,526</u>	<u>\$ 100,657</u>	<u>\$ 39,322,458</u>	<u>\$ 611,932</u>
Appropriated reserves	<u>\$ 2,484,656</u>	<u>\$ 7,105,456</u>			
Appropriated fund balance	<u>\$ 1,250,000</u>	<u>\$ 2,348,988</u>			
Prior year encumbrances	<u>\$ 361,066</u>	<u>\$ 361,066</u>			
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	<u>\$ 42,705,591</u>	<u>\$ 48,526,036</u>			

Required Supplementary Information
DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2026

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Over (Under) Original Budget</u>	<u>Current Year's Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balances</u>
EXPENDITURES						
General Support -						
Board of education	\$ 41,087	\$ 45,087	\$ 4,000	\$ 22,057	\$ 3,286	\$ 19,744
Central administration	297,475	297,975	500	280,677	1,425	15,873
Finance	698,968	719,663	20,695	660,540	20,579	38,544
Staff	194,650	194,650	-	135,285	39,671	19,694
Central services	3,980,181	4,440,194	460,013	3,788,439	187,314	464,441
Special items	652,380	652,380	-	618,297	8,744	25,339
Instructional -						
Instruction, administration and improvement	1,505,728	1,505,728	-	1,229,181	24,495	252,052
Teaching - regular school	7,350,427	7,405,477	55,050	6,732,863	39,883	632,731
Programs for children with handicapping conditions	6,179,630	6,149,695	(29,935)	5,039,645	468,653	641,397
Occupational education	1,503,465	1,522,465	19,000	1,504,821	1,263	16,381
Teaching - special schools	130,090	130,090	-	89,288	23,477	17,325
Instructional media	659,036	659,036	-	520,111	18,212	120,713
Pupil services	2,094,098	2,062,112	(31,986)	1,676,799	12,516	372,797
Pupil Transportation	3,243,680	3,082,800	(160,880)	2,169,094	184,069	729,637
Employee Benefits	11,495,556	11,255,606	(239,950)	9,001,148	23,775	2,230,683
Debt service - principal	1,577,000	1,577,000	-	1,567,650	-	9,350
Debt service - interest	664,140	664,140	-	655,718	-	8,422
TOTAL EXPENDITURES	<u>\$ 42,267,591</u>	<u>\$ 42,364,098</u>	<u>\$ 96,507</u>	<u>\$ 35,691,613</u>	<u>\$ 1,057,362</u>	<u>\$ 5,615,123</u>
Other Uses -						
Transfers - out	\$ 438,000	\$ 6,161,938	\$ 5,723,938	\$ 6,058,931	\$ -	\$ 103,007
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 42,705,591</u>	<u>\$ 48,526,036</u>	<u>\$ 5,820,445</u>	<u>\$ 41,750,544</u>	<u>\$ 1,057,362</u>	<u>\$ 5,718,130</u>
NET CHANGE IN FUND BALANCE				\$ (2,428,086)		
FUND BALANCE, BEGINNING OF YEAR				19,094,176		
FUND BALANCE, END OF YEAR				<u>\$ 16,666,090</u>		

Note to Required Supplementary Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Required Supplementary Information
DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Note to budgetary Comparison Schedule
For The Year Ended June 30, 2026

The key factors for budget variances in the General Fund are listed below along with explanations for each:

Expenditure Items	Budget Variance Original Vs. Amended	Explanation for Budget Variance
Central Services	\$ 460,013	Portion was due to C/F memos and part to cover overages in other transportation line items.
Pupil Transportation	\$ (160,880)	Portion was due to C/F memos and part to cover overages in other transportation line items.
Employee Benefits	\$ (239,950)	Utilized funds to cover overages in other expenditure areas.
Transfers-Out	\$ 5,723,938	Due to new district capital project and BOCES project. In addition, Summer 4408 share was higher.
Revenue Items	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Use of Money and Property	\$ 524,574	Interest came in higher than expected, BOCES rent in settled contract than budgeted.
Sale of Property and Compensation for Loss	\$ 264,156	Unexpected sale of equipment and insurance recoveries.
Miscellaneous	\$ 149,481	BOCES refund higher, unexpected miscellaneous revenue, and higher fuel revenue than expected based on usage.
Transfers-In	\$ (490,000)	This was reversed.
Expenditure Items		
Central Services	\$ 464,441	Unused supply funds.
Instruction, Administration and Improvement	\$ 252,052	Some positions moved to grants and unused supply funds.
Teaching-Regular School	\$ 632,731	Actual wage increase came in lower than expected, some unfilled position, some positions moved to grants and unused supply funds.
Programs for Children with Handicapping Conditions	\$ 641,397	Actual wage increase came in lower than expected, some positions moved to grants, private school tuition came in lower, and unused supply funds.
Pupil Services	\$ 372,797	Actual wage increase came in lower than expected, some positions moved to grants, and unused supply funds.
Pupil Transportation	\$ 729,637	Open positions, unused supply funds and lower fuel usage.
Employee Benefits	\$ 2,230,683	TRS rate changed from budgeting.

Supplementary Information
DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Change From Adopted Budget To Final Budget
And The Real Property Tax Limit
For The Year Ended June 30, 2026

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	\$ 42,344,525
Prior year's encumbrances	<u>361,066</u>
Original Budget	\$ 42,705,591
Budget revisions -	
2025 Capital Project Phase II	4,615,000
BOCES Capital Project	1,098,988
Insurance Recoveries	96,594
Emergency Repair	5,800
Donations	<u>4,063</u>
FINAL BUDGET	<u><u>\$ 48,526,036</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2026-27 voter approved expenditure budget	\$ 44,289,700
<u>Unrestricted fund balance:</u>	
Assigned fund balance	\$ 2,557,362
Unassigned fund balance	<u>1,771,588</u>
Total Unrestricted fund balance	<u>\$ 4,328,950</u>
<u>Less adjustments:</u>	
Appropriated fund balance	\$ 1,500,000
Encumbrances included in assigned fund balance	<u>1,057,362</u>
Total adjustments	<u>\$ 2,557,362</u>
General fund fund balance subject to Section 1318 of	
Real Property Tax Law	<u>1,771,588</u>
ACTUAL PERCENTAGE	<u><u>4.00%</u></u>

Supplementary Information
DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
CAPITAL PROJECTS FUND
Schedule of Project Expenditures
For The Year Ended June 30, 2026

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance
			Prior Years	Current Year	Total		Obligations	Local Sources	Total	
Bus Purchases 2024-25	\$ 922,000	\$ 922,000	\$ 723,474	\$ 161,066	\$ 884,540	\$ 37,460	\$ 689,540	\$ 195,000	\$ 884,540	\$ -
Bus Purchases 2025-26	935,000	935,000	-	697,696	697,696	237,304	603,233	145,000	748,233	50,537
Maintenace Equipment 2025-26	140,000	140,000	-	139,992	139,992	8	-	140,000	140,000	8
Renovations 2018-19	9,610,000	9,610,000	9,545,515	-	9,545,515	64,485	7,370,000	2,240,000	9,610,000	64,485
Capital Improvement 2018-19	8,225,000	8,225,000	8,167,468	53	8,167,521	57,479	5,725,000	2,500,000	8,225,000	57,479
Capital Improvement 2025	5,852,695	5,852,695	49,410	1,236,564	1,285,974	4,566,721	-	1,125,000	1,125,000	(160,974)
Capital Improvement 2025 Phase II	23,350,000	23,350,000	-	231,177	231,177	23,118,823	-	4,615,000	4,615,000	4,383,823
2022 Roofing/Asbestos	5,285,000	5,285,000	1,495,628	3,586,097	5,081,725	203,275	4,285,000	1,000,000	5,285,000	203,275
BOCES Capital Project	2,547,831	2,547,831	-	-	-	2,547,831	-	1,098,988	1,098,988	1,098,988
Capital Outlay 2023-24	100,000	100,000	-	-	-	100,000	-	100,000	100,000	100,000
Capital Outlay 2025-26	100,000	100,000	-	99,632	99,632	368	-	100,000	100,000	368
Smart Schools plan 1	11,500	11,500	-	11,496	11,496	4	-	-	-	(11,496)
Smart Schools plan 3	218,500	218,500	-	77,293	77,293	141,207	-	-	-	(77,293)
Leases	45,694	45,694	-	45,694	45,694	-	45,694	-	45,694	-
TOTAL	\$ 57,343,220	\$ 57,343,220	\$ 19,981,495	\$ 6,286,760	\$ 26,268,255	\$ 31,074,965	\$ 18,718,467	\$ 13,258,988	\$ 31,977,455	\$ 5,709,200

Supplementary Information
DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2026

	Special			Total
	Revenue Funds			Nonmajor
	School	Miscellaneous	Debt	Governmental
	Lunch	Special Revenue	Service	Funds
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
ASSETS				
Cash and cash equivalents	\$ 7,830	\$ 264,043	\$ 878,923	\$ 1,150,796
Receivables	129,536	-	-	129,536
Inventories	27,753	-	-	27,753
Due from other funds	4,442	-	873,279	877,721
TOTAL ASSETS	<u>\$ 169,561</u>	<u>\$ 264,043</u>	<u>\$ 1,752,202</u>	<u>\$ 2,185,806</u>
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u> -				
Accounts payable	\$ 295	\$ -	\$ -	\$ 295
Accrued liabilities	16,081	11,225	-	27,306
Due to other governments	27	-	-	27
Unearned revenue	3,779	-	-	3,779
TOTAL LIABILITIES	<u>\$ 20,182</u>	<u>\$ 11,225</u>	<u>\$ -</u>	<u>\$ 31,407</u>
<u>Fund Balances</u> -				
Nonspendable	\$ 27,753	\$ -	\$ -	\$ 27,753
Restricted	-	252,818	1,752,202	2,005,020
Assigned	121,626	-	-	121,626
TOTAL FUND BALANCE	<u>\$ 149,379</u>	<u>\$ 252,818</u>	<u>\$ 1,752,202</u>	<u>\$ 2,154,399</u>
TOTAL LIABILITIES AND				
FUND BALANCES	<u>\$ 169,561</u>	<u>\$ 264,043</u>	<u>\$ 1,752,202</u>	<u>\$ 2,185,806</u>

Supplementary Information
DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2026

	Special Revenue Funds		Debt Service	Total Nonmajor Governmental Funds
	School Lunch Fund	Miscellaneous Special Revenue Fund	Fund	
REVENUES				
Use of money and property	\$ 5,434	\$ 9,477	\$ 273,492	\$ 288,403
Miscellaneous	4,170	-	-	4,170
State sources	243,473	-	-	243,473
Federal sources	1,008,956	-	-	1,008,956
Sales	68,641	-	-	68,641
TOTAL REVENUES	\$ 1,330,674	\$ 9,477	\$ 273,492	\$ 1,613,643
EXPENDITURES				
Employee benefits	\$ 346,179	\$ -	\$ -	\$ 346,179
Debt service - principal	-	-	370,000	370,000
Cost of sales	587,545	-	-	587,545
Other expenses	475,860	6,800	-	482,660
TOTAL EXPENDITURES	\$ 1,409,584	\$ 6,800	\$ 370,000	\$ 1,786,384
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (78,910)	\$ 2,677	\$ (96,508)	\$ (172,741)
OTHER FINANCING SOURCES (USES)				
Premium on obligations issued	\$ -	\$ -	\$ 402,135	\$ 402,135
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ 402,135	\$ 402,135
NET CHANGE IN FUND BALANCE	\$ (78,910)	\$ 2,677	\$ 305,627	\$ 229,394
FUND BALANCE, BEGINNING OF YEAR	228,289	250,141	1,446,575	1,925,005
FUND BALANCE, END OF YEAR	\$ 149,379	\$ 252,818	\$ 1,752,202	\$ 2,154,399

Supplementary Information
DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets/Right to Use Assets
For The Year Ended June 30, 2026

Capital assets/Right to Use Assets, net		\$ 53,059,574
Add:		
Unspent bond proceeds	<u>\$ 375,776</u>	375,776
Deduct:		
Serial bond payable	\$ 16,338,233	
Lease liability	121,771	
Unamortized bond premium	744,197	
Retainage payable	33,776	
Assets purchased with short-term financing	<u>249,763</u>	
		<u>17,487,740</u>
Net Investment in Capital Assets/Right to Use Assets		<u><u>\$ 35,947,610</u></u>

Supplementary Information
DANSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2026

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Pass-Through</u> <u>Agency</u> <u>Number</u>	<u>Total</u> <u>Expenditures</u>
<u>U.S. Department of Education:</u>			
<u>Passed Through NYS Education Department -</u>			
<u>Special Education Cluster IDEA -</u>			
Special Education - Grants (IDEA, Part B)	84.027	0032-26-0339	\$ 440,864
Special Education - Grants (IDEA Preschool)	84.173	0033-26-0339	18,127
<i>Total Special Education Cluster IDEA</i>			<i>\$ 458,991</i>
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-26-1265	46,680
Title IV - Student Support and Enrichment Program	84.424	0204-26-1265	32,615
Stronger Connections	84.424F	0248-25-1014	14,110
Stronger Connections Year 2	84.424F	0248-26-1014	367,641
Title I - Grants to Local Educational Agencies	84.010	0021-26-1265	417,302
Title I - School Improvement	84.010	0011-26-8257	65,443
Title I - School Improvement	84.010	0011-25-8257	15,527
<u>Passed Through Elba Central School District -</u>			
Title III	84.365	N/A	1,607
Total U.S. Department of Education			<u>\$ 1,419,916</u>
<u>U.S. Department of Agriculture:</u>			
<u>Passed Through NYS Education Department -</u>			
<u>Child Nutrition Cluster -</u>			
National School Lunch Program	10.555	005105	\$ 542,372
National School Lunch Program-Non-Cash			
Assistance (Commodities)	10.555	005105	78,611
Fresh Fruit and Vegetable Program	10.582	005105	31,997
National School Snack Program	10.555	005105	40,058
Summer Food Program	10.559	005105	42,868
National School Breakfast Program	10.553	005105	273,050
<i>Total Child Nutrition Cluster</i>			<i>\$ 1,008,956</i>
Total U.S. Department of Agriculture			<u>\$ 1,008,956</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,428,872</u>

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Independent Auditors' Report

To the Board of Education
Dansville Central School District, New York

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 the Dansville 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 District's basic financial statements, and have issued our report thereon dated September 21, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dansville 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Barw & Co. LLP

Fairport, New York
September 21, 2026