



Shenendehowa

Central Schools

FROM: Kathleen A. Wetmore-Chase
TO: Dr. Wilson-Turner, Superintendent of Schools
DATE: October 6, 2026
SUBJECT: Board of Education Approval of **Acceptance of 2025-26 Audit Reports**

Background

The District's annual audit for the year ended June 30, 2026, has been completed by the EFPR Group, CPAs. General Municipal Law requires school districts to have annual audits of district funds performed by an independent certified public accountant.

Analysis

The auditors' reports give the District an "unmodified opinion" on our General Purpose, Single Audit (audit of Federal financial assistance), and Extra classroom Activity Funds financial statements. This means that the auditors found our books to be in order and our financial statements accurately presented.

The Audit Committee met with auditors on September 28, 2026 to review the financial statements and findings. It is recommended that the Board accept the audited financial statements as presented.

Recommended Resolution

That the Board of Education acknowledges receipt of the audit reports from the independent auditor, EFPR Group, CPAs, for the fiscal year ending June 30, 2026, as listed below:

- **Financial Report**
- **Single Audit Supplementary Financial Report**
- **Extra classroom Activity Funds**

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

June 30, 2026

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 13
Basic Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Balance Sheet - Governmental Funds	16
Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Position	17
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	19
Statement of Net Position - Proprietary Fund	20
Statement of Revenue, Expenses and Changes in Net Position - Proprietary Fund	21
Statement of Cash Flows - Proprietary Fund	22
Notes to the Financial Statements	23 - 62
Required Supplementary Information:	
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget to Actual - General Fund	63
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	64
Schedule of the District's Proportionate Share of the Net Pension Asset/Liability	65
Schedule of the District's Employer Pension Contributions	66
Notes to Required Supplementary Information	67 - 68

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Table of Contents, Continued

	<u>Page</u>
Other Supplementary Information:	
Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit - General Fund	69
Schedule of Project Expenditures - Capital Projects Fund	70 - 71
Net Investment in Capital Assets	72
Combining Balance Sheet - Nonmajor Governmental Funds	73
Combining Schedule of Revenue, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	74
Combined Balance Sheet - Miscellaneous Special Revenue Funds	75
Combined Statement of Revenue, Expenditures and Changes in Fund Balances - Miscellaneous Special Revenue Funds	76
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	77 - 78

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Shenendehowa Central School District
at Clifton Park, New York:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 and additional information on pages 63 through 68 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the 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 the District's basic financial statements. The accompanying other supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information as listed in the table of contents 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 , 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

Williamsville, New York
, 2026

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Management's Discussion and Analysis

June 30, 2026

OVERVIEW OF THE FINANCIAL STATEMENTS

The following is a discussion and analysis of the Shenendehowa Central School District at Clifton Park, New York's (the District) financial performance for the year ended June 30, 2026. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund 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.

Basic Financial Statements

This annual report consists of four parts: management's discussion and analysis (MD&A) (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are District-Wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the operations in more detail than the District-Wide financial statements. The Fund financial statements tell how basic services such as instruction and support functions were financed in the short-term as well as what remains for future spending.

The notes to financial statements provide additional information about the basic financial statements and the balances reported. The basic financial statements are followed by a section of supplementary information.

District-Wide Financial Statements

The District-Wide financial 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 of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two District-Wide financial statements report the District's net position and how it has changed. Net position, the difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Management's Discussion and Analysis, Continued

- Over time, increases and decreases in net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

District-Wide financial statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position. Net position of the governmental activities differ from the governmental fund balances because:

- Capitalize current outlays for capital assets;
- Depreciate/amortize capital assets and allocate the depreciation/amortization to the proper program/activities;
- Report long-term financing activities as liabilities;
- Report other long-term items, including payroll items, as liabilities;
- Calculate revenue and expenses using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - Net investment in capital assets is the District's capital assets net of accumulated depreciation/amortization and any liabilities that the District has to finance its capital assets;
 - Restricted net position is those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation; and
 - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York (the State).

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Management's Discussion and Analysis, Continued

Governmental Funds

Governmental fund statements include the Balance Sheet and the Statement of Revenue, Expenditures and Changes in Fund Balances. Most basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to spendable resources and (2) the balances left at year-end that are available for spending under the modified accrual basis of accounting. Consequently, the Governmental Fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources available in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide financial statements, additional information in a separate reconciliation schedules that explain the relationship (or differences) between them.

Fiduciary Fund

The fiduciary fund financial statement include the Statement of Changes in Fiduciary Net Position. The District collects and remits taxes to the local library. The District excludes these activities from the District-Wide financial statements because it cannot use these to finance its operations. The Fiduciary Fund accounts for its activities using the same basis of accounting as the District-Wide financial statements.

FINANCIAL SUMMARY

Net Position

A summary of the Statements of Net Position as of June 30, 2026 and 2025 are as follows:

	<u>2026</u>	<u>2025</u>	<u>Change</u>
Assets:			
Other assets	\$ 129,190,524	102,182,712	27,007,812
Capital assets	<u>156,153,872</u>	<u>125,625,779</u>	<u>30,528,093</u>
Total assets	<u>285,344,396</u>	<u>227,808,491</u>	<u>57,535,905</u>
Deferred outflows of resources	<u>59,865,550</u>	<u>53,203,180</u>	<u>6,662,370</u>
Liabilities:			
Other liabilities	17,417,598	19,313,466	(1,895,868)
Long-term liabilities	<u>338,147,183</u>	<u>280,033,029</u>	<u>58,114,154</u>
Total liabilities	<u>355,564,781</u>	<u>299,346,495</u>	<u>56,218,286</u>
Deferred inflows of resources	<u>121,547,737</u>	<u>148,721,735</u>	<u>(27,173,998)</u>
Net position (deficit):			
Net investment in capital assets	88,046,128	81,531,115	6,515,013
Restricted	90,855,809	64,121,987	26,733,822
Unrestricted (deficit)	<u>(310,804,509)</u>	<u>(312,709,661)</u>	<u>1,905,152</u>
Total net position (deficit)	<u>\$ (131,902,572)</u>	<u>(167,056,559)</u>	<u>35,153,987</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Management's Discussion and Analysis, Continued

Changes in Net Position

A summary of these Statements of Activities for the years ended June 30, 2026 and 2025 are as follows:

	<u>2026</u>	<u>2025</u>	<u>Change</u>
Revenue:			
Program revenue:			
Charges for services	\$ 1,733,495	2,867,285	(1,133,790)
Operating grants and contributions	10,939,455	9,528,460	1,410,995
General revenue:			
Property and other taxes	146,566,958	141,740,236	4,826,722
State aid	69,894,726	66,494,124	3,400,602
Other	<u>7,168,273</u>	<u>6,847,317</u>	<u>320,956</u>
Total revenue	<u>236,302,907</u>	<u>227,477,422</u>	<u>8,825,485</u>
Expenses:			
General support	30,673,001	29,978,222	694,779
Instruction	142,176,885	141,539,778	637,107
Pupil transportation	15,453,787	15,181,871	271,916
School Lunch Program	2,937,447	2,612,828	324,619
Interest	2,659,749	1,338,759	1,320,990
Community services	835,142	837,455	(2,313)
Depreciation and amortization - unallocated	<u>6,412,909</u>	<u>7,417,775</u>	<u>(1,004,866)</u>
Total expenses	<u>201,148,920</u>	<u>198,906,688</u>	<u>2,242,232</u>
Change in net position	35,153,987	28,570,734	6,583,253
Net position (deficit) at beginning of year	<u>(167,056,559)</u>	<u>(195,627,293)</u>	<u>28,570,734</u>
Net position (deficit) at end of year	<u>\$ (131,902,572)</u>	<u>(167,056,559)</u>	<u>35,153,987</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Management's Discussion and Analysis, Continued

DETAILED ANALYSES

District-Wide Financial Analysis

Other assets increased by \$27,007,812 in 2026. Major contributors to the increase include:

- Unrestricted cash and equivalents increased by \$10,747,786 as a result of revenue exceeding expenses.
- State and Federal aid receivables increased by \$2,313,938 as unreceived child nutrition aid increased by \$571,345 from the prior year.

Other liabilities decreased by \$1,895,868 in 2026. Major contributors to the increase include:

- Accounts payable decreased by \$1,460,330 as there were fewer unpaid expenses at year-end.
- Offsetting the decrease was a decrease in due to teachers' retirement system. The contribution rate for this pension system decreased to 9.59% from 10.11% in the prior year.

Changes to capital assets and long-term liabilities are discussed in the Significant Capital Assets and Long-Term Financing Activities section below. Also included in long-term liabilities are the District's proportionate share of the State pension plans (pensions) and the total other postemployment benefits (OPEB) liability. The pensions and OPEB vary from the prior year due to changes in assumptions and differences in expected and actual experience. Traditionally, these liabilities are rarely consistent from year to year.

The changes in deferred outflows of resources and deferred inflows of resources are primarily related to the pensions and OPEB. Amortization of pensions and OPEB related items, contributions subsequent to the measurement dates, and changes in actuarial assumptions have resulted in variances from the prior year.

Changes to net position, including all three components, are discussed below in the analysis of the revenue and expenses below.

For the District's year ended June 30, 2026 revenue totaled \$236,302,907 which is an increase from the prior year of \$8,825,485. The most significant changes in revenue include:

- Operating grants and contributions increased \$1,410,995. This increase was driven by State aid in the school lunch fund. The State passed a new law, the Universal School Meals Program, which ensures all students, regardless of income, can receive free breakfast and lunch. This also lead to a decrease in charges for services as less students are paying for their meals. Offsetting this increase was a decrease in COVID grant funding.
- Property and other taxes increased \$4,826,722. This was driven by real property taxes as the District approved an increase in the real property tax levy of \$4,631,037 which is a 3.29% increase. The real property tax levy was increased to offset expected increases in expenses of \$9,465,446.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Management's Discussion and Analysis, Continued

- State aid increased by \$3,400,602 due to increases in New York State Basic Aid and Excess Cost Aid.

For the District's year ended June 30, 2026 expenses totaled \$201,148,920 which is an increase from the prior year of \$2,242,232. The most significant changes in expenses include:

- Instruction increased \$637,107. The increase was mainly driven by collectively bargained contractual increases.
- Interest increased \$1,320,990. This increase was due to rising interest rates.
- School Lunch Program sales increased \$324,619. This increase is directly correlated to the increase in operating grants revenue above.
- Pension and OPEB resulted in an expense of \$3,526,694 and \$(8,971,138), respectively, totaling \$(5,444,444) in 2026. In 2025, this amount totaled \$(814,684). This represents an increase of \$4,629,760 which has been allocated to several expense groupings. These amounts change significantly each year due to market conditions and actuarial assumptions.

Fund Financial Analysis

Governmental Funds Financial Analysis

Fund balance of the general fund increased \$1,744,499 for the year ended June 30, 2026 to a total fund balance of \$53,369,584. This increase was driven by the increase in the real property tax levy and the increase in State aid. State aid included increases in basic aid, excess cost aid, lottery aid, and BOCES aid. As of June 30, 2026, the general fund has \$35,458,080 and \$8,588,873 reported as restricted and assigned fund balance, respectively. These fund balances are reserved for future expenditures and commitments.

Fund balance of the capital projects fund increased \$14,629,952 for the year ended June 30, 2026 to a total fund balance of \$22,148,705. The fund had \$36,599,375 of capital outlay expenditures. The entire fund balance for the capital projects fund is restricted for future years' capital projects.

Fund balance of the special aid fund was \$9,097 as of June 30, 2026. This fund never has an operating gain or loss as it primarily operates to oversee specific State, Federal, and local grants. Revenue is recognized as allowable expenditures are incurred. Overall total revenue and expenditures decreased in this fund as COVID related grants have been fully utilized.

Custodial Fund

The custodial fund did not have any net position as of June 30, 2026. This fund collects and remits taxes to the local library. All funds were collected and remitted prior to year-end.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Management's Discussion and Analysis, Continued

SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY

Capital Assets

The District paid for equipment, and various building additions and renovations during the 2026 fiscal year. A summary of the District's capital assets are as follows:

	<u>2026</u>	<u>2025</u>	<u>Change</u>
Land	\$ 821,690	821,690	-
Construction in progress	73,343,493	41,354,582	31,988,911
Buildings and improvements	225,213,745	225,213,745	-
Machinery and equipment	54,296,649	49,344,558	4,952,091
Right-to-use asset	652,477	652,477	-
Accumulated depreciation/amortization	<u>(198,174,182)</u>	<u>(191,761,273)</u>	<u>(6,412,909)</u>
Total	<u>\$ 156,153,872</u>	<u>125,625,779</u>	<u>30,528,093</u>

Significant capital asset activity included:

- Purchased 15 new buses for \$2,881,348.
- Purchased 7 new vehicles for \$1,116,242.

Long-Term Financing Activity

At June 30, 2026, the District had total long-term financing payable of \$82,901,964. A summary of outstanding long-term financing as of June 30, 2026 and 2025 is as follows:

	<u>2026</u>	<u>2025</u>	<u>Change</u>
Bonds payable	\$ 78,285,000	43,955,000	34,330,000
Bond premium	4,613,746	3,221,988	1,391,758
Lease payable	<u>3,218</u>	<u>10,874</u>	<u>(7,656)</u>
Total	<u>\$ 82,901,964</u>	<u>47,187,862</u>	<u>35,714,102</u>

Significant long-term financing activity included:

- Issued two new bonds of \$3,345,000 and \$38,685,000 for capital projects at an interest rate of 2.26% and 4.71%, respectively.
- Paid principal on debt of \$7,700,000 reducing the District's long-term obligations.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Management's Discussion and Analysis, Continued

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The District's ability to raise revenue and levy enough real property taxes is highly dependent upon maintaining its population. According to the U.S. Census Bureau it is estimated that the State's population has decreased 1.7% from the period of April 1, 2020 to July 1, 2024. Enrollment and graduation rates determine the level of personnel the District requires and significant changes can alter the District's operating strategy. According to the New York State Department of Education, in 2024-2025, the District has enrollment of 9,317 and a graduation rate of 97%. A decade earlier, in 2014-2015, the District had enrollment of 9,769 and a graduation rate of 97%.

The District is subject to several State finance laws. Major laws include:

- Limiting the amount of unassigned and assigned fund balance, exclusive of encumbrances and amounts designated for the subsequent year's budget, that can be retained by the general fund, to 4% of the ensuing year's budget.
- A tax levy cap which limits the amount the District can raise its tax levy by. The annual increase in the property tax levy cannot exceed the lesser of 2% or the change in the consumer price index, unless approved by a 60% supermajority of the taxpayers.
- The District may not incur expenditures in excess of budgeted appropriations, except for legally authorized emergency expenditures.
- The District is subject to a constitutional debt limit, which is 10% of the full assessed value on the most recent tax roll.

On July 22, 2025, the District issued a BAN in the amount of \$36,500,000, at an interest rate of 4.00% with a maturity date of June 23, 2026.

The District's 2026-2027 adopted budget for the general fund includes anticipated expenditures of \$234,495,425. The expenditures are to be funded through \$149,120,783 of real property taxes, \$79,780,683 of other revenue, and \$5,593,959 of fund balance. Factors that have affected the 2026-2027 adopted budget include:

- The District's payroll expenditures for the year ended June 30, 2026 were \$120,393,882. This amount is expected to increase by approximately 3% to adjust for scheduled raises. This would result in payroll expenditures of approximately \$124,005,698 for the ensuing year. Social Security and other directly correlated expenditures are expected to increase as well.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Management's Discussion and Analysis, Continued

- Changes to interest rates have the potential to significantly impact the District. Over the past few years, the District has benefited from large returns from its cash and equivalents which traditionally have not yielded large returns. On the contrary, the District must continue to manage its cash flow needs as the need to borrow for capital projects will result in high interest expenses for years to come. Interest rates follow changes in the Federal Reserve and Prime rates. The following is a summary of the changes in the rates over the past two years by fiscal quarter:

<u>Year</u>	<u>Month</u>	Federal	
		Reserve	Prime Rate
		<u>Rate</u>	<u>Rate</u>
2024	September	5.00%	8.00%
2024	December	4.50%	7.50%
2025	March	4.50%	7.50%
2025	June	4.50%	7.50%
2025	September	4.25%	7.25%
2025	December	3.75%	6.75%
2026	March	3.75%	6.75%
2026	June	3.75%	6.75%

- The District is also dependent on the State for a large portion of its revenue. Each annual State budget poses a substantial risk to the District as State funding could decrease. The District is also a member of the State's pension systems. Annual contributions to the State's pension systems are dependent upon how well funded the systems are. Poor market results or investing decisions can result in increases to District contributions. Included in the State's 2025-2026 budgeted, included future State aid and increases of:

<u>Year</u> <u>ending</u>	Projected	
	State aid (in millions)	<u>Increase</u>
2028	40,297	4.18%
2029	42,494	3.90%
2030	43,818	3.12%

- The District is expected to face large increases in healthcare costs which has been a growing problem in the United States. The District has recognized a \$234,750,031 OPEB liability as of June 30, 2026 which represents projected future retirees' healthcare costs. This liability has been actuarially determined and changes to assumptions or other actuarial factors can significantly alter this estimate.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Management's Discussion and Analysis, Continued

- Tariffs have resulted in increased costs for certain materials, supplies, and contracted services, which may affect the acquisition and construction costs of capital assets, as well as operating expenditures. There have been multiple judicial challenges to the tariffs and, as such, the effect and use of tariffs are currently unpredictable.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Statement of Net Position
June 30, 2026

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and equivalents:			
Unrestricted	\$ 27,681,959	175,145	27,857,104
Restricted	312,089	-	312,089
Investments:			
Unrestricted	30,963,861	-	30,963,861
Restricted	35,458,080	-	35,458,080
Receivables:			
State and Federal aid	8,097,591	-	8,097,591
Accounts receivable	328,140	-	328,140
Due from other governments	2,123,819	-	2,123,819
Inventories	259,167	-	259,167
Less reserve for inventories	(120,745)	-	(120,745)
Long-term assets:			
Capital assets - nondepreciable	74,165,183	-	74,165,183
Capital assets - depreciable, net	81,988,689	-	81,988,689
Net pension asset - teachers' retirement system - proportionate share	23,911,418	-	23,911,418
Total assets	285,169,251	175,145	285,344,396
Deferred outflows of resources:			
Pensions	36,009,355	-	36,009,355
Other post employment benefits	23,856,195	-	23,856,195
Total deferred outflows of resources	59,865,550	-	59,865,550
	<u>Liabilities</u>		
Current liabilities:			
Accounts payable	4,773,631	-	4,773,631
Accrued liabilities	1,193,611	-	1,193,611
Accrued interest payable	256,308	-	256,308
Due to other governments	18,135	-	18,135
Unearned revenue	1,058,012	-	1,058,012
Due to teachers' retirement system	8,708,533	-	8,708,533
Due to employees' retirement system	1,409,368	-	1,409,368
Long-term liabilities - due and payable within one year:			
Bonds payable	9,010,000	-	9,010,000
Bond premiums	521,789	-	521,789
Lease payable	3,218	-	3,218
Total current liabilities	26,952,605	-	26,952,605
Long-term liabilities:			
Bonds payable	69,275,000	-	69,275,000
Bond premiums	4,091,857	-	4,091,857
Compensated absences	13,209,685	-	13,209,685
Postemployment benefits	234,750,031	-	234,750,031
Judgments and claims	3,115,564	-	3,115,564
Net pension liability - employees' retirement system - proportionate share	4,170,039	-	4,170,039
Total noncurrent liabilities	328,612,176	-	328,612,176
Total liabilities	355,564,781	-	355,564,781
Deferred inflows of resources:			
Pensions	27,417,087	-	27,417,087
OPEB	94,130,650	-	94,130,650
Total deferred inflows of resources	121,547,737	-	121,547,737
Net position:			
Net investment in capital assets	88,046,128	-	88,046,128
Restricted	90,855,809	-	90,855,809
Unrestricted (deficit)	(310,979,654)	175,145	(310,804,509)
Total net position (deficit)	\$ (132,077,717)	175,145	(131,902,572)

See accompanying notes to financial statements.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK

Statement of Activities
Year ended June 30, 2026

		Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Governmental	Business-type	Total
	Expenses	Services	Grants	Activities	Activities	
Functions/programs:						
General support	\$ 30,673,001	-	-	(30,673,001)	-	(30,673,001)
Instruction	142,176,885	1,014,669	5,940,267	(135,221,949)	-	(135,221,949)
Pupil transportation	15,453,787	-	-	(15,453,787)	-	(15,453,787)
Community services	835,142	-	-	(835,142)	-	(835,142)
Debt service - interest	2,659,749	-	-	(2,659,749)	-	(2,659,749)
Depreciation/amortization - unallocated	6,412,909	-	-	(6,412,909)	-	(6,412,909)
School Lunch Program	2,937,447	718,826	4,999,188	2,780,567	-	2,780,567
Total functions and programs	<u>\$ 201,148,920</u>	<u>1,733,495</u>	<u>10,939,455</u>	<u>(188,475,970)</u>	<u>-</u>	<u>(188,475,970)</u>
General revenue:						
Real property taxes				139,535,435	-	139,535,435
Other tax items				7,031,523	-	7,031,523
Use of money and property				3,785,067	-	3,785,067
Sale of property and compensation for loss				120,442	-	120,442
Donations and gifts				56,650	-	56,650
Contributions				786,148	-	786,148
State sources				69,894,726	-	69,894,726
Federal sources				823,059	-	823,059
Miscellaneous				1,596,907	-	1,596,907
Total general revenue				<u>223,629,957</u>	<u>-</u>	<u>223,629,957</u>
Change in net position				35,153,987	-	35,153,987
Net position (deficit) at beginning of year				<u>(167,231,704)</u>	<u>175,145</u>	<u>(167,056,559)</u>
Net position (deficit) at the end of year				<u>\$ (132,077,717)</u>	<u>175,145</u>	<u>(131,902,572)</u>

See accompanying notes to financial statements.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Balance Sheet - Governmental Funds
June 30, 2026

	<u>General</u>	<u>Capital Projects</u>	<u>Special Aid</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and equivalents - unrestricted	\$ 3,883,209	17,134,318	760,539	5,903,893	27,681,959
Cash and equivalents - restricted	-	-	-	312,089	312,089
Investments - unrestricted	30,963,861	-	-	-	30,963,861
Investments - restricted	35,458,080	-	-	-	35,458,080
Accounts receivable	234,751	-	-	93,389	328,140
Due from other funds	7,255,691	25,873,101	-	5,880,181	39,008,973
Due from State and Federal	2,121,414	-	5,239,967	736,210	8,097,591
Due from other governments	2,123,819	-	-	-	2,123,819
Inventory	120,745	-	-	138,422	259,167
Less reserve for inventory	(120,745)	-	-	-	(120,745)
Total assets	<u>\$ 82,040,825</u>	<u>43,007,419</u>	<u>6,000,506</u>	<u>13,064,184</u>	<u>144,112,934</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	2,233,434	2,340,198	181,607	18,392	4,773,631
Accrued liabilities	1,162,714	-	20,405	10,492	1,193,611
Due to other governments	-	-	17,235	900	18,135
Due to other funds	15,180,890	18,518,516	5,161,290	148,277	39,008,973
Due to teachers' retirement system	8,684,835	-	-	23,698	8,708,533
Due to employees' retirement system	1,409,368	-	-	-	1,409,368
Prepaid revenue	-	-	-	447,124	447,124
Unearned revenue	-	-	610,872	16	610,888
Total liabilities	<u>28,671,241</u>	<u>20,858,714</u>	<u>5,991,409</u>	<u>648,899</u>	<u>56,170,263</u>
Fund balances:					
Nonspendable - inventory and prepaid expenses	-	-	-	138,422	138,422
Restricted:					
Employee benefits and accrued liabilities	11,586,975	-	-	-	11,586,975
Debt	-	-	-	9,337,606	9,337,606
Workers' compensation	2,323,893	-	-	-	2,323,893
Retirement contributions	9,014,977	-	-	-	9,014,977
Retirement contributions - TRS sub reserve	4,814,420	-	-	-	4,814,420
Capital outlay	4,500,000	22,148,705	-	-	26,648,705
Tax certiorari	3,217,815	-	-	-	3,217,815
Assigned:					
General support	1,426,288	-	9,097	-	1,435,385
Instruction	1,479,540	-	-	-	1,479,540
Pupil transportation	58,783	-	-	-	58,783
Community service	-	-	-	143,933	143,933
Employee benefits	30,303	-	-	-	30,303
Scholarships	-	-	-	312,089	312,089
Activity funds	-	-	-	493,020	493,020
School lunch	-	-	-	1,990,215	1,990,215
Designated for subsequent year's expenditures	5,593,959	-	-	-	5,593,959
Unreserved - unassigned	<u>9,322,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,322,631</u>
Total fund balances	<u>53,369,584</u>	<u>22,148,705</u>	<u>9,097</u>	<u>12,415,285</u>	<u>87,942,671</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 82,040,825</u>	<u>43,007,419</u>	<u>6,000,506</u>	<u>13,064,184</u>	<u>144,112,934</u>

See accompanying notes to financial statements.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Reconciliation of Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2026

Total governmental fund balances	\$ 87,942,671
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and, therefore are not reported in the funds.	156,153,872
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds	\$ (78,285,000)
Compensated absences	(13,209,685)
Accrued workers' compensation	(3,115,564)
Right to use lease asset	<u>(3,218)</u>
	(94,613,467)
Bond premiums, not due and payable in the current period and therefore are reported in the funds full accrual accounting.	(4,613,646)
Interest payable is reported in the District-wide statements under full accrual accounting.	(256,308)
Other postemployment benefit liability is recognized as a liability under full accrual accounting.	(234,750,031)
Net pension liability - proportionate share - ERS System	(4,170,039)
Net pension asset - proportionate share - TRS System	23,911,418
Deferred pension and OPEB outflows, net of deferred inflows of resources.	<u>(61,682,187)</u>
Total net position	<u>\$ (132,077,717)</u>

See accompanying notes to financial statements.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds
Year ended June 30, 2026

	<u>General</u>	<u>Capital Projects</u>	<u>Special Aid</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenue:					
Real property taxes	\$ 139,535,435	-	-	-	139,535,435
Other tax items	7,031,523	-	-	-	7,031,523
Charges for services	280,553	-	-	734,116	1,014,669
Use of money and property	3,367,410	-	-	417,657	3,785,067
Sale of property and compensation for loss	120,442	-	-	-	120,442
Donations and gifts	-	-	-	56,650	56,650
Contributions	-	-	-	786,148	786,148
State sources	69,894,726	-	2,871,580	3,173,817	75,940,123
Federal sources	857,060	-	3,034,686	1,825,371	5,717,117
Sales	-	-	-	718,826	718,826
Miscellaneous	584,884	100,000	44,039	971,508	1,700,431
Total revenue	<u>221,672,033</u>	<u>100,000</u>	<u>5,950,305</u>	<u>8,684,093</u>	<u>236,406,431</u>
Expenditures:					
General support	19,993,673	-	-	2,369,878	22,363,551
Instruction	114,310,803	-	6,068,772	465,640	120,845,215
Pupil transportation	12,632,706	-	34,362	-	12,667,068
Employee benefits	55,352,674	-	184,849	1,006,858	56,544,381
Cost of food sales	-	-	-	2,539,344	2,539,344
Scholarships	-	-	-	36,551	36,551
Program expense	-	-	-	798,591	798,591
Debt service:					
Principal	-	-	-	7,700,000	7,700,000
Interest	-	-	-	2,963,125	2,963,125
Capital outlay	-	36,599,375	-	-	36,599,375
Total expenditures	<u>202,289,856</u>	<u>36,599,375</u>	<u>6,287,983</u>	<u>17,879,987</u>	<u>263,057,201</u>
Excess (deficiency) of revenue over expenditures	<u>19,382,177</u>	<u>(36,499,375)</u>	<u>(337,678)</u>	<u>(9,195,894)</u>	<u>(26,650,770)</u>
Other financing sources (uses):					
Transfers in	-	7,300,000	337,678	10,000,000	17,637,678
Transfers (out)	(17,637,678)	-	-	-	(17,637,678)
Proceeds from serial bonds	-	43,829,327	-	-	43,829,327
Total other financing sources (uses)	<u>(17,637,678)</u>	<u>51,129,327</u>	<u>337,678</u>	<u>10,000,000</u>	<u>43,829,327</u>
Change in fund balances	1,744,499	14,629,952	-	804,106	17,178,557
Fund balance at beginning of year	<u>51,625,085</u>	<u>7,518,753</u>	<u>9,097</u>	<u>11,611,179</u>	<u>70,764,114</u>
Fund balance at end of year	<u>\$ 53,369,584</u>	<u>22,148,705</u>	<u>9,097</u>	<u>12,415,285</u>	<u>87,942,671</u>

See accompanying notes to financial statements.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Reconciliation of Statement of Revenue, Expenditures and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year ended June 30, 2026

Net change in fund balances	\$ 17,178,557
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net assets.	36,943,531
Depreciation and amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(6,412,909)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net assets.	7,700,000
Net loss on disposal of property, plant and equipment is not recognized in the governmental funds. However, for governmental activities, the net book value of the assets disposed of is reduced by the proceeds received.	(2,529)
Interest is recognized as an expense in governmental funds when paid. For governmental activities interest expense is recognized as it accrues. The decrease in accrued interest during the year results in less expense.	(207,817)
Net proceeds of serial bond principal is revenue in governmental funds, but proceeds increase long-term liabilities in the statement of net position assets.	(43,829,327)
Premium on bond funding that occurred in the current year recognized as revenue in governmental financial statements but amortized over the bond term for full accrual statements.	(103,524)
Premium amortization for prior and current funding recognized as revenue in full accrual statements.	511,193
Certain postemployment benefits are recognized as an expense net of deferred inflows and outflows in the statement of activities under full accrual accounting.	14,509,736
Change in compensated absences and accrued workers' compensation are not reflected in governmental funds but are reflected in the statement of activities under full accrual accounting.	(494,369)
Payments on leases recognized as use of funds in governmental funds, but are reflected as changes in long-term debt under full accrual accounting.	7,656
Changes in net pension costs are not reflected in governmental funds but are reflected in the statement of activities under full accrual accounting.	9,353,789
Change in net position of governmental activities	<u>\$ 35,153,987</u>

See accompanying notes to financial statements.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Statement of Net Position - Proprietary Fund
June 30, 2026

Assets - unrestricted	<u>\$ 175,145</u>
Net position - unrestricted	<u><u>\$ 175,145</u></u>

See accompanying notes to financial statements.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Statement of Revenue, Expenses and Changes in Net Position - Proprietary Fund
Year ended June 30, 2026

Revenue - charges for services	\$ -
Expenses - operating expenses	<u>-</u>
Change in net position	-
Net position at beginning of year	<u>175,145</u>
Net position at end of year	<u><u>\$ 175,145</u></u>

See accompanying notes to financial statements.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Statement of Cash Flows - Proprietary Fund
Year ended June 30, 2026

Cash flows from operating activities	\$ <u>-</u>
Net change in cash	-
Unrestricted cash at beginning of year	<u>175,145</u>
Unrestricted cash at end of year	<u><u>\$ 175,145</u></u>

See accompanying notes to financial statements.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements

June 30, 2026

(1) Summary of Significant Accounting Policies

The financial statements of the Shenendehowa Central School District at Clifton Park, New York (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (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 significant accounting principles and policies used by the District are described below:

(a) Reporting Entity

The District is governed by the laws of New York State (NYS). 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 of 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. 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.

(b) Joint Venture

The District is one of 24 component school districts in the Capital Region Board of Cooperative Educational Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities.

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the 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 districts enrollment as defined in Education Law, Section 1950(4)(b)(7).

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Joint Venture, Continued

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

BOCES charges districts for program costs based on participation and for administrative costs. During the year ended June 30, 2026, the District was billed \$9,309,672 for BOCES administrative and program costs. In the same period, the District reported \$4,056,700 in State Aid. Financial statements the BOCES are available from the BOCES administrative office at 900 Watervliet-Shaker Road, Albany, New York 12205.

(c) Basis of Presentation

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 revenue, and other exchange and nonexchange 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 net position presents the financial position of the District at year end. The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue include charges paid by the recipient of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that are not classified as program revenue, including all taxes, are presented as general revenue.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including fiduciary funds, if applicable. Separate statements for each fund category 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.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

- Governmental Fund Types

The District reports the following major governmental funds:

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

Capital Projects Fund - The capital projects fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of various District facilities or equipment.

Special Aid Fund - Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.

All remaining governmental funds are aggregated and reported as nonmajor funds:

Debt Service Fund - The Debt Service Fund is used to account for and report on the accumulation of resources to be used for reduction of general long-term indebtedness.

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

Special Revenue Funds - These funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following funds:

Miscellaneous Special Revenue

Community Service and Facilities Usage Fund - Used to account for the funds and transactions of the District's community education programs and facility use by outside users. The community education program fees charged to program participants are restricted for use by the program. The District's fee structure for both programs is designed to recover only the incremental costs of the programs.

Extraclassroom Activity Fund - Used to account for the funds and transactions of the District's various club and activity accounts.

Scholarship Fund - Used to account for the funds and transactions of the District's scholarship awards.

- Proprietary Fund Types

Proprietary funds are used to account for ongoing organizations or activities which are similar to those often found in the private sector. The economic resources measurement focus is used in the determination of net income, financial position and changes in cash flows. The following proprietary fund is utilized:

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

• Proprietary Fund Types, Continued

Enterprise Fund - Regional Transportation Fund - Used to account for the cost of services rendered which are financed through charges to those purchasing the services. Services, which are provided mainly to other school districts and municipalities, include the sale of fuel and field trips. Costs recovered are direct costs, incremental costs and certain indirect costs. There was no activity in this fund in 2025-2026.

(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.

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash transactions take 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 in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue are recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available, if the revenue are collected, within one year after the end of the fiscal year except for real property taxes which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt, claims and judgments, postemployment benefits and compensated absences, which are recognized as expenditures to the extent they have matured or been paid. 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.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Unearned Revenue

The District reports unearned revenue on its statement of net position and its balance sheet. Unearned revenue arises when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, or when the District has legal claim to the resources, the liability is removed and revenue is recognized.

(f) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. There are generally three items that qualify for reporting in this category. The first item is related to pensions reported in the District-Wide statement of net position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Second, is the District's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the District-Wide statement of net position. This represents the effect of the changes of assumptions or other inputs.

In addition to liabilities, the statement of net position reports 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 inflows of resources (revenue) until that time. There are generally two items that qualify for reporting in this category. The first item is related to pensions reported in the District-Wide Statement of net position. This represents the effect of the net change in the District's proportion of the collective net pension liability and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension system not included in pension expense. The second item is related to OPEB reported in the District-Wide statement of net position. This represents the effect of the net changes of assumptions or other inputs and differences between expected and actual results.

(g) Property Tax

Calendar - Real property taxes are levied annually by the Board of Education no later than September 1, 2025 and became a lien in November 2025. Taxes were collected during the period September 1, 2025, to November 1, 2025.

Enforcement - Uncollected real property taxes are subsequently enforced by the County of Saratoga (the County) in which the District is located. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the District no later than the forthcoming April 1.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Cash and Investments

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

The District's investment policies are governed by State statutes. District monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. 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. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and School Districts. Investments are stated at fair value. Certificates of deposit are classified as investments in these financial statements.

(i) Accounts Receivable

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

(j) Inventory

Inventories of food and supplies in the school lunch fund are recorded at cost using the first-in, first-out basis or, in the case of surplus food, as stated value which approximates market.

(k) Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfers of expenditure and revenue 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. Eliminations have been made for all interfund receivables and payables between the funds with the exception of those due from or to the business activities.

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.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Capital Assets

Capital assets are reported at cost or estimated cost. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$500	Straight Line	50 years
Building improvements	\$500	Straight Line	20 years
Site improvements	\$500	Straight Line	20 years
Furniture and equipment	\$500	Straight Line	5 - 20 years

(m) Short-Term Debt

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

(n) 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 fund, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Equity Classifications

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

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

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

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

Fund statements - In the fund financial statements there are five classifications of fund balance:

Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the school lunch fund at June 30, 2026.

Restricted - includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District Board and contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements such as the award of a bid by the District Board. The District has no committed fund balances as of June 30, 2026.

Assigned - includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include funds that are legally mandated to be accounted for separately as well as amounts that have been contractually obligated by the District or designated by the District Board for the ensuing year's budget.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Equity Classifications, Continued

The Administration's accounting software utilizes encumbrance-based accounting. As of June 30, 2026, there was a cumulative \$3,004,011 in non-restricted encumbrances of which \$2,994,914 and \$9,097 are general fund and special aid fund assigned for fund balance, respectively.

Assigned for Subsequent Year's Expenditures - Portions of fund equity are segregated for future use and are, therefore, not available for appropriation or expenditure. Reserves of unassigned fund balances in governmental funds indicate the use of these resources in the ensuing year's budget.

Assigned for Scholarships - This represents monies that are assigned to be utilized to award scholarships determined by the District on an annual basis. Assigned for Scholarships totaled \$312,089.

Assigned for Activity Funds - This represents monies that are assigned to be utilized for the District's extraclassroom activity fund and club accounts. Assigned for activity funds totaled \$493,020.

NYS Real Property Tax Law 1318 restricts the unreserved fund balance of the general fund to an amount not greater than 4% of the District's budget for the ensuing fiscal year.

Unassigned - represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

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 by adjusting journal entries.

Fund balance restrictions are created to satisfy legal restrictions or plan for future expenditures. The following restricted funds are available to school districts within the State of New York. These restricted funds are established through Board action or voter approval and a separate identity must be maintained for each restriction. Earnings on the invested resources become part of the respective restricted funds; however, separate bank accounts are not necessary for each restricted fund. The following is a description of the restrictions utilized by the District.

- Workers' Compensation Reserve - Authorized by General Municipal Law §6-j, the District is self-insured for workers' compensation on a cost-reimbursement basis. This reserve is accounted for in the general fund.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Equity Classifications, Continued

- Reserve for Debt - Authorized by General Municipal Law §6-1, this reserve is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations and remaining bond proceeds not to be utilized for the intended purpose. These monies must be used to pay the debt service of the obligations from which they originated. This reserve is accounted for in the debt service fund.
- Reserve for Tax Certiorari - Authorized by Education Law §3651.1-a, this reserve is used to establish a reserve fund for tax certioraris and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgements and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the general fund.
- Capital Reserve Fund - According to Education Law §3651, expenditures made from the capital reserve fund must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund and capital project fund.
- Reserve for Retirement Contributions - According to General Municipal Law §6-r, all expenditures made from the retirement contributions received fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserve and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the general fund. Effective April 1, 2019, the Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. This reserve is accounted for in the general fund.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Equity Classifications, Continued

- Employee Benefit Accrued Liability Reserve - Authorized by General Municipal Law §6-p, the Employee Benefit Accrued Liability Reserve is used to pay for any accrued employee benefit due an employee on termination of the employee's service. The reserve is created by resolution of the Board of Education. The reserve is accounted for in the general fund.

(p) Postemployment Benefits

In addition to providing the retirement benefits described in note 4(b), the District provides postemployment health and drug insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups. Substantially, all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Currently approximately 900 retirees meet the health insurance eligibility requirements. The District pays, depending on the applicable contract, up to 91% of the cost of premiums to an insurance company which provides health care and drug insurance. The District recognizes the cost of providing benefits for year ended June 30, 2026 by recording \$5,538,598, its share of health and drug insurance premiums for currently enrolled retirees, as an expenditure.

(q) Vested Employee Benefits

Compensated absences consist of unpaid accumulated annual sick leave and vacation time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement No. 101 - "Compensated Absences," the liability has been calculated using the vesting method and an accrual for that liability is included in the District- wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the funds statements, only the amount of matured liabilities are accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

(r) Risk Management

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. 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.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Risk Management, Continued

- Workers' Compensation Plan - The District is self-insured for workers' compensation benefits on a cost-reimbursement basis. Under the program, the District is responsible for claim payments. The Workers' Compensation Reserve restricted for future claim payments at June 30, 2026, amounted to \$2,323,893.
- Dental and Prescription Drug Insurance Plans - The District provides self-insured dental and prescription drug insurance benefit plans for its active employees and requires employees to contribute towards its cost. There is no provision in state law to have dental or prescription drug insurance reserves.
- Method of Calculating Expense of the Plans - All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2026, have been recorded as accounts payable in the general fund.

The District establishes dental and prescription drug insurance claim liabilities based on estimates of the ultimate cost of claims. Claims under this plan are paid during the year or in the subsequent year. The length of time claims may be submitted is limited to ninety days after year end.

The District establishes workers' compensation claim liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience.

Adjustments to claim liabilities are charged or credited to the liability in the periods in which they are made.

As discussed above, the District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the District during the past two years:

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Risk Management, Continued

	2026			2025		
	Workers' Compensation	Dental	Prescription Drug	Workers' Compensation	Dental	Prescription Drug
Unpaid claims and claim adjustment expenses at beginning of year	\$ 2,889,763	68,000	22,000	2,092,097	61,000	20,000
Incurred claims and claim adjustment expenses:						
Provision for incurred claims expense for events of the current year	1,653,615	1,601,783	9,588,157	1,634,550	1,549,663	9,476,645
Increase (decrease) in provision for incurred events of prior years	18,856	(137,816)	(132,445)	16,020	(135,833)	(131,713)
Total incurred claims and claim adjustment expenses	1,672,471	1,463,967	9,455,712	1,650,570	1,413,830	9,344,932
Payments made for claims during the current year	(1,446,579)	(1,430,968)	(9,459,712)	(852,904)	(1,406,830)	(9,342,932)
Total unpaid claims and claim adjustment expenses at end of year	\$ 3,115,655	100,999	18,000	2,889,763	68,000	22,000

(s) Estimates

The preparation of financial statements in accordance 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported revenue 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, postemployment benefits, potential contingent liabilities and useful lives of long-lived assets.

(t) Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets 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.

(u) Future Changes in Accounting Standards

GASB has issued Statement No. 105 - "Subsequent Events" effective for the fiscal year beginning after June 15, 2026. The effects of the implementation of this pronouncement are not known at this time.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(v) Subsequent Events

Management has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(2) Explanation of Certain Differences Between Fund Statements and District-Wide Statements

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

(a) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

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

(b) Statement of Revenue, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the funds statement of revenue, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown below represent:

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

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

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(2) Explanation of Certain Differences Between Fund Statements and District-Wide Statements,
Continued

(b) Statement of Revenue, Expenditures and Changes in Fund Balance vs. Statement of Activities,
Continued

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

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

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

The costs of building and acquiring capital assets (land, buildings and equipment) financed from governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the statement of net position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$ 354,328,054
Accumulated depreciation/amortization	(198,174,182)
Capital assets, net	\$ <u>156,153,872</u>

Deferred outflows of resources, pensions and OPEB	\$ <u>59,865,550</u>
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Long-term liabilities and deferred inflows of resources are reported in the statement of net position, but not in the governmental funds, because they are not due and payable in the current period. Balances at June 30, 2026 were as follows:

Bonds payable	\$ <u>78,285,000</u>
Bond premiums	\$ <u>4,613,646</u>
Compensated absences payable	\$ <u>13,209,685</u>
Postemployment benefits payable (OPEB)	\$ <u>234,750,031</u>
Workers' compensation liability	\$ <u>3,115,564</u>
Net pension liability - proportionate share - ERS System	\$ <u>4,170,039</u>
Deferred inflows of resources, pensions and OPEB	\$ <u>121,547,737</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(2) Explanation of Certain Differences Between Fund Statements and District-Wide Statements,
Continued

(b) Statement of Revenue, Expenditures and Changes in Fund Balance vs. Statement of Activities,
Continued

In the statement of activities, certain operating expenses are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Pension expense is calculated under GASB Statement No. 68 and OPEB expense is calculated under GASB Statement No. 75 in the statement of activities.

Repayments of bond principal are an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position, and does not affect the statement of activities. In addition, proceeds of bonding are revenue in the governmental funds but are reflected as liabilities under full accrual accounting. In addition, premiums earned on new bond issuances are revenue in the governmental funds but are reflected as liabilities under full accrual accounting. Premium amortization on bond issuances is recognized as revenue under full accrual accounting.

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is reported as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

(3) Stewardship, Compliance and Accountability

(a) Deficit Fund Balances

Capital Projects Funds - The \$22 million, \$26 million and bus purchases capital project funds have deficit fund balances of \$(1,587,460), \$(5,918,678) and \$(1,328,813) respectively, due to expending funds prior to obtaining permanent financing for the capital projects.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(3) Stewardship, Compliance and Accountability, Continued

(b) Budgetary Data

- Budget Policies - The budget policies are as follows:
 - The District administration prepares a proposed budget for approval by the Board of Education for the general fund.
 - The proposed appropriation budget for the general fund is approved by the voters within the District.
 - Appropriations are adopted at the program level.
 - Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions if the Board approves them because of a need which exists which was not determined at the time the budget was adopted.
 - Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

The District is not required to formally adopt annual budgets for its special revenue funds or debt service fund. Accordingly, no statement of budget and actual revenue and expenditures is presented for the special revenue funds or the debt service fund.

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

(4) Detail Notes on All Funds

(a) Assets

- Cash and Investments
 - Cash - The District's aggregate bank balances are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. Total bank balances at June 30, 2026 were \$30,540,126. The bank balance is fully insured by the FDIC or FSLIC, or collateralized by securities held by a third party in the District's name.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(a) Assets, Continued

• Cash and Investments, Continued

- Investment and Deposit Policy - The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Assistant Superintendent for Finance and Operations.
- Interest Rate Risk - Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
- Credit Risk - The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the District to purchase the following types of investments:
 - Interest bearing demand accounts.
 - Certificates of deposit.
 - Obligations of the United States Treasury and United States agencies.
 - Obligations of New York State and its localities.
- Custodial Credit Risk - Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the FDIC shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:
 - Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
 - Obligations issued or fully insured or guaranteed by New York State and its localities.
 - Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical ratings organizations.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(a) Assets, Continued

- Cash and Investments, Continued

- Investments - The District has few investments (primarily donated scholarship funds) and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value.

GAAP establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(a) Assets, Continued

- Cash and Investments, Continued

All of the District's investments are valued based on level 1 of the hierarchy, with the exception of NYCLASS, detailed below (Level 2).

The following is a description of the valuation methodologies used for investments measured at fair value:

Cash and equivalents - valued at cost plus accrued interest, which approximates fair market value.

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

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

The District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

Investments are stated at fair value and are categorized as either (1) insured or registered, or investments held by the District or the District's agent in the District's name, (2) uninsured and unregistered, with the investments held by the financial institution's trust department in the District's name, (3) uninsured and unregistered, with investments held by the financial institution or its trust department but not in the District's name.

The District participates in the New York Cooperative Liquid Asset Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-0, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2026, the District held \$66,421,941 in these investments consisting of various investments in securities issued by the United States and its agencies.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(a) Assets, Continued

• Cash and Investments, Continued

The above amount represents the cost of the investment pool shares and is considered to approximate fair value. The investment pools are SEC registered and categorically exempt from the New York State collateralization requirements.

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

Investments in Securities

<u>at Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
General Fund	\$ <u> -</u>	<u>66,421,941</u>	<u> -</u>	<u>66,421,941</u>

The above amounts represent the fair value of the investment pool shares the District invested in. For the year ended June 30, 2026, the portfolio did not have significant unobservable inputs (Level 3) used in determining fair value.

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

- Restricted Cash and Investments

General Fund - Restricted investments at June 30, 2026 consists of \$3,217,815 restricted for tax certiorari claims, \$2,323,893 restricted for workers' compensation insurance, \$13,829,397 for retirement contributions, \$11,586,975 for employee benefits accrued liability reserve and \$4,500,000 for capital outlay.

Special Revenue - Restricted cash at June 30, 2026 consists of \$312,089 restricted for scholarships.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(a) Assets, Continued

- Interfund Receivables and Payables - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. Transactions are recorded in the accounting system and payments between funds are made.

Interfund receivable and payable balances at June 30, 2026 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
General fund	\$ 7,255,691	15,180,890	-	17,637,678
Special aid fund	-	5,161,290	337,678	-
Capital projects funds	25,873,101	18,518,516	7,300,000	-
Nonmajor funds	<u>5,880,181</u>	<u>148,277</u>	<u>10,000,000</u>	<u>-</u>
Total governmental activities	<u>\$ 39,008,973</u>	<u>39,008,973</u>	<u>17,637,678</u>	<u>17,637,678</u>

During the current year the general fund transferred \$7,300,000 to the capital projects fund for various capital projects. The District transferred a net \$10,000,000 to the debt service fund for debt and interest related payments. The general fund also made a transfer of \$337,678 to the special aid fund for the District's share of the special education summer school programs its students attended.

- Accounts Receivable - Accounts receivable at June 30, 2026 consisted of the following, which are stated at net realizable value. District management has deemed the amounts to be fully collectible.

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Tuition and miscellaneous	\$ 234,751
Nonmajor	Miscellaneous	<u>93,389</u>
		<u>\$ 328,140</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(a) Assets, Continued

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

	Beginning Balance	Additions	Adjustments/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets not being depreciated/ amortized:				
Land	\$ 821,690	-	-	821,690
Construction in progress	41,354,582	31,988,911	-	73,343,493
Total capital assets not being depreciated/amortized	42,176,272	31,988,911	-	74,165,183
Capital assets being depreciated/ amortized:				
Buildings	225,213,745	-	-	225,213,745
Furniture and equipment	49,344,558	4,954,620	(2,529)	54,296,649
Right-to-use lease asset	652,477	-	-	652,477
Total capital assets being depreciated/amortized	275,210,780	4,954,620	(2,529)	280,162,871
Less accumulated depreciation/ amortization:				
Buildings	158,086,363	2,911,765	-	160,998,128
Furniture and equipment	33,033,693	3,498,535	(4,898)	36,527,330
Right-to-use lease asset	641,217	7,507	-	648,724
Total accumulated depreciation/ amortization	191,761,273	6,417,807	(4,898)	198,174,182
Total capital assets, being depreciated/amortized, net	83,449,507	(1,463,187)	2,369	81,988,689
Total governmental activities, net	\$ 125,625,779	30,525,724	2,369	156,153,872

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities

(1) Pension Plans

(a) Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS).

This is a cost-sharing multiple-employer retirement system. TRS provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS is governed by a 10 member Board of Trustees. Benefits are established under New York State Law. 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 TRS, the election is irrevocable. The 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. Additional information regarding TRS by referring to the NYSTRS Annual Comprehensive Financial Report which can be found on TRS's website at www.nystrs.org.

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS provides retirement benefits as well as death and disability benefits. The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. Benefits are established under the provisions of the New York State Retirement and Social Security Law. Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. GLIP amounts are appointed to and included in ERS. ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.ny.gov/retirement/publications.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

(a) Plan Descriptions and Benefits Provided, Continued

Employees' Retirement System (ERS), Continued

The systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale.

For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2026	June 30, 2025
Actuarial valuation date	April 1, 2025	June 30, 2024
Net pension asset (liability)	\$ (4,170,039)	23,911,418
District's proportion of the Plan's net pension asset (liability)	0.0739140%	0.403837%
Change in proportionate share	(0.0024513)	0.002361

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions, Continued

For the year ended June 30, 2026, the District recognized pension expense of \$4,937,510 for ERS and \$(1,410,816) for TRS in the statement of activities. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 2,386,341	12,534,914	-	-
Changes of assumptions	715,811	9,465,786	-	257,804
Net difference between projected and actual investment earnings on pension plan investments	-	-	7,477,111	18,674,758
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,516,616	148,746	684,849	322,565
District's contributions subsequent to the measurement date	<u>1,409,368</u>	<u>7,831,773</u>	<u>-</u>	<u>-</u>
Total	\$ <u>6,028,136</u>	<u>29,981,219</u>	<u>8,161,960</u>	<u>19,255,127</u>

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

<u>Year ending</u>	<u>ERS</u>	<u>TRS</u>
2027	\$ 1,975,482	11,970,274
2028	(2,457,041)	(5,080,870)
2029	(1,473,524)	(5,378,370)
2030	(1,588,109)	(1,119,282)
2031	-	2,062,186
Thereafter	<u>-</u>	<u>440,381</u>
	\$ <u>(3,543,192)</u>	<u>2,894,319</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

(c) Actuarial Assumptions

The total pension asset/liability as of the measurement date was determined by using a rollforward procedure to advance the asset/liability calculated using system assumptions and member demographics from the previous actuarial valuation. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Investment rate of return (net of investment expense, including inflation)	5.90%	6.95%
Salary scale	5.20%	2.04% - 5.80%
Cost of living adjustments	1.50%	1.40%
Inflation rate	2.90%	2.50%

For ERS, demographic assumptions used in the April 1, 2025 actuarial valuation are based on the results of an actuarial experience study completed March 31, 2025. Demographic assumptions are primarily based on System experience over the period April 1, 2020 - March 31, 2025. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021. For TRS, annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis. The demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2024. TRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions.

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

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

The long-term expected real rates of return are presented by asset allocation classification. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized in the following table:

	<u>ERS</u>		<u>TRS</u>	
<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	25%	3.29%	33%	6.70%
International equity	14%	5.85%	15%	7.40%
Real estate equity	-	-	11%	6.50%
Global equity	-	-	4%	7.00%
Domestic fixed income	-	-	16%	2.60%
Global bonds	-	-	2%	2.40%
High-yield bonds	-	-	1%	4.70%
Real estate debt	-	-	6%	3.80%
Real estate	12%	5.20%	-	-
Private equity	15%	7.00%	9%	9.80%
Private debt	-	-	2%	6.10%
Real assets	4%	5.54%	-	-
Fixed income	22%	1.75%	-	-
Opportunistic/ARS portfolio	3%	5.13%	-	-
Credit	4%	5.10%	-	-
Cash and equivalents	<u>1%</u>	0.25%	<u>1%</u>	0.60%
	<u>100%</u>		<u>100%</u>	

* For ERS, the real rate of return are net of a long-term inflation assumption of 2.5%. For TRS, the real rates of return are net of pension plan investment expenses and long-term inflation expectations.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

(d) Discount Rate

The discount rate used to calculate the total pension asset/liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the 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 asset/liability.

(e) Sensitivity of the Proportionate Share of the Net Pension Asset/Liability to the Discount Rate

The following presents the District's proportionate share of the ERS and TRS net pension asset/liability calculated using the discount rates referred to above, 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 or 1-percentage point higher than the current discount rates referred to above:

ERS	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	\$ (28,480,225)	(4,170,039)	16,154,353
TRS	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	\$ (45,946,094)	23,911,418	82,692,880

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

(f) Pension Plan Fiduciary Net Position

The components of the current year net pension asset/liability of the participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)	
	<u>ERS</u>	<u>TRS</u>
Employers' total pension liability	\$ (253,773)	(148,272)
Plan net position	<u>248,131</u>	<u>154,193</u>
Employers' net pension asset (liability)	\$ <u>(5,642)</u>	<u>5,921</u>
Ratio of plan net position to the employers' total pension liability	97.78%	104.00%

(g) Contributions to the Pension Plans

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 \$1,409,368. This amount has been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to ERS for the year ended June 30, 2026 were \$5,022,274.

TRS employer and employee contributions for the year ended June 30, 2026 are paid to the TRS 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 employer retirement contributions to TRS as of June 30, 2026 amounted to \$8,708,553, including employees' share. The accrued contributions have been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to TRS for the year ended June 30, 2026 were \$7,831,773.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(2) Other Postemployment Benefits (OPEB)

(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 GASB Statement No. 75.

Funding Policy - The obligation of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreements. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other postemployment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2026 approximately \$5,538,598 was paid on behalf of 900 retirees.

Benefits Provided - The District provides healthcare and live 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 June 30, 2025, the valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	900
Active employees	<u>1,580</u>
	<u>2,480</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(2) Other Postemployment Benefits (OPEB), Continued

(b) Total OPEB Liability

The District's total OPEB liability of \$234,750,031 was measured as of June 30, 2026, and was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6%
Salary Increases	2.2% - 12.3%, average, including inflation
Discount Rate	4.32%
Healthcare Cost Trend Rates	6.50% for 2026 decreasing to an ultimate rate of 4.04% by 2075

The discount rate was based on the Bond Buyer General Obligation 20 Year Municipal Bond Index.

Mortality rates were based on the April 1, 2015 - March 31, 2020 NYSLRS experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP - 2021.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

(c) Changes in the Total OPEB Liability

Balance at June 30, 2025	\$ 203,920,910
Changes for the year:	
Service cost	8,744,396
Interest	10,097,562
Changes in assumptions or other inputs	17,525,761
Benefit payments	<u>(5,538,598)</u>
Net changes	<u>30,829,121</u>
Balance at June 30, 2026	\$ <u>234,750,031</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(2) Other Postemployment Benefits (OPEB), Continued

(c) Changes in the Total OPEB Liability, Continued

Changes of assumptions and other inputs reflect a change in the discount rate from 4.81% in 2025 to 4.32% in 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 or 1-percentage point higher than the current discount rate:

	1% Decrease (3.32%)	Current Discount Rate (4.32%)	1% Increase (5.32%)
Total OPEB liability	\$ <u>277,868,983</u>	<u>234,750,031</u>	<u>200,606,546</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare care trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ <u>192,692,084</u>	<u>234,750,031</u>	<u>290,071,637</u>

(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 \$(8,971,138). At June 30, 2026, the District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ -	44,398,104
Changes of assumptions or other inputs	<u>23,856,195</u>	<u>49,732,546</u>
	<u>\$ 23,856,195</u>	<u>94,130,650</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(2) Other Postemployment Benefits (OPEB), Continued

(d) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, Continued

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

<u>Year ending</u>	<u>Amount</u>
2027	\$ (26,418,011)
2028	(24,990,769)
2029	(10,108,912)
2030	(5,890,049)
2031	(5,370,395)
Thereafter	<u>2,503,681</u>
	\$ <u>(70,274,455)</u>

(3) Indebtedness

(a) Short-Term Debt

- Bond Anticipation Notes - The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptance financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. Transactions in short-term debt related to BANs for the year ended June 30, 2026 are as follows:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
6/27/2025	4.5%	\$ <u>36,500,000</u>	<u>-</u>	<u>(36,500,000)</u>	<u>-</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(3) Indebtedness, Continued

(b) Long-Term Debt

- Serial Bonds - The District borrows money in order to acquire or construct buildings, improvements and buses. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the District.

Interest on long-term debt in the District-Wide financial statements for the year was composed of:

Interest paid	\$ 2,963,125
Less interest accrued in the prior year	(48,491)
Plus interest accrued in the current year	256,308
Less amortization of bond premium	<u>(511,193)</u>
Total expense	\$ <u>2,659,749</u>

- Other Long-Term Obligations - In addition to the above long-term debt, the District has the following noncurrent liabilities:

Compensated Absences - Represents the value of earned and unused portion of the liability for employees' vacation and sick pay.

Workers' Compensation Liability - Represents the unbilled and noncurrent portion of workers' compensation claims to be paid in future years.

Other Postemployment Benefits - Represents the actuarial valuation of the District's accrued liability for postemployment health insurance coverage provided to retirees in accordance with the provisions of various employment contracts.

Net Pension Liabilities - Represents the District's proportionate share of the ERS liability.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(3) Indebtedness, Continued

(c) Changes

The changes in indebtedness and unauthorized bond premium during the year ended June 30, 2026 are summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Serial bonds	\$ 43,955,000	42,030,000	7,700,000	78,285,000
Bond premium	3,221,988	1,902,851	511,193	4,613,646
Leases payable	10,874	-	7,656	3,218
Compensated absences*	12,941,117	268,568	-	13,209,685
Accrued workers' compensation	2,889,763	225,801	-	3,115,564
Other postemployment benefits	203,920,910	30,829,121	-	234,750,031
Net pension liability - proportionate share - ERS System	13,093,376	-	8,923,337	4,170,039
Net pension liability (asset) - proportionate share - TRS System	(11,978,477)	-	11,932,941	(23,911,418)
Total	<u>\$ 268,054,551</u>	<u>75,256,341</u>	<u>29,075,127</u>	<u>314,235,765</u>

* Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

(d) Maturity

The following is a summary of indebtedness:

<u>Description of Issue</u>	<u>Original</u>			
	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2026</u>
Bonds:				
Refunding of Shatekon	2015	2027	4.28%	\$ 1,220,000
Refunding of MS, Shatekon, Trans & Multi-Project	2017	2027	1.75%	45,000
Reconstruction of School Buildings	2019	2034	2.17%	5,000,000
Multi Project	2020	2036	3.00%	12,320,000
2022-23 Buses	2022	2026	4.00%	410,000
Reconstruction of School Buildings	2023	2038	3.00%	2,620,000
2023-24 Buses	2024	2028	2.00%	1,100,000
2024-25 Buses/Capital Projects	2025	2039	4.00%	13,540,000
2025-26 Buses/Capital Projects	2026	2030	2.26%	3,345,000
2025-26 Buses/Capital Projects	2026	2055	4.71%	<u>38,685,000</u>
Total bonds				<u>\$ 78,285,000</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(4) Detail Notes on All Funds, Continued

(b) Liabilities, Continued

(3) Indebtedness, Continued

(d) Maturity, Continued

The following is a summary of the maturity of debt service requirements for bonds:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Premium Amortization</u>
2027	\$ 9,010,000	1,297,357	10,307,357	521,789
2028	7,800,000	1,000,900	8,800,900	331,870
2029	5,200,000	774,450	5,974,450	325,385
2030	4,855,000	2,514,400	7,369,400	325,385
2031	3,605,000	3,226,750	6,831,750	315,032
2032-2036	15,870,000	9,697,800	25,567,800	1,426,028
2037-2041	6,270,000	7,339,800	13,609,800	499,544
2042-2046	7,270,000	5,727,500	12,997,500	310,219
2047-2051	9,250,000	3,720,750	12,970,750	310,219
2052-2055	<u>9,155,000</u>	<u>1,171,500</u>	<u>10,326,500</u>	<u>248,175</u>
Total	<u>\$ 78,285,000</u>	<u>36,471,207</u>	<u>114,756,207</u>	<u>4,613,646</u>

(e) Leases Payable

The District is leasing space and equipment under various lease agreements with expirations through November 2027. The gross amount of the right to use lease assets was \$652,477 and accumulated amortization of \$648,724. Amortization is included in depreciation and loss on disposal-unallocated in the statement of activities. Future minimum payments under the lease agreements are as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027	<u>\$ 3,218</u>	<u>7</u>	<u>3,225</u>

(f) Constitutional Debt Limit

The constitution of the State of New York limits the amounts of indebtedness which may be issued by the District. The District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 10% of the full valuation of taxable real estate within the District. At June 30, 2026, the District has exhausted 6.64% of its limit.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(5) Commitments and Contingencies

(a) Federal and State Grants

The District receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, District management believes such disallowances, if any, would not be material.

(b) Litigation and Tax Certiorari

The District is party to various legal proceedings and other claims incidental to the ordinary course of its operations. Liabilities, if any, are recorded when they become fixed or determinable in amount.

Several tax certiorari actions are pending against the District for reductions in the assessment value of various properties. Management believes that the likelihood of a reduction is probable. Provisions for losses for those cases are recorded as long-term liabilities. The District plans on funding any settlements from the Tax Certiorari Reserve and/or future appropriations.

(c) Payments in Lieu of Taxes

The County enters into payment in lieu of taxes (PILOTS) agreements with some local businesses for the purpose of economic development. For the year ended June 30, 2026, the District recognized \$920,480 in PILOT revenue. Abated property taxes amounted to \$1,485,749 under this program.

(6) Concentrations - Workforce Covered by Collective Bargaining Agreements

(a) Collective Bargaining Units

The District's workforce has collective bargaining agreements which dictate employment terms including payroll and related expenditures as well as benefits. The following is a summary of the District's significant collective bargaining agreements:

<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
Administrators Association	June 30, 2027
Superintendent	June 30, 2027

Other collective bargaining agreements are maintained by the District and available upon request.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(6) Concentrations - Workforce Covered by Collective Bargaining Agreements, Continued

(b) Constraints

(i) Limitations on Raising Revenue

The District's ability to raise revenue through property taxes is subject to Article VIII of the New York State Constitution and the Real Property Tax Law, including the property tax levy limit (tax cap) imposed by Chapter 97 of the Laws of 2011. The annual increase in the property tax levy cannot exceed the lesser of 2% or change in the consumer price index, unless approved by a 60% supermajority of the taxpayers.

(ii) Limitations on Spending

Expenditures must be authorized in accordance with the annual budget adopted by the District, pursuant to New York State General Municipal Law (GML) and local charter provisions. The District may not incur expenditures in excess of appropriations, except for legally authorized emergency expenditures.

(iii) Limitations on the Incurrence of Debt

The District is subject to a constitutional debt limit, which is 10% of the full value on the most recent tax roll. The debt limit for may be exceeded if authorized by 60% of the voters and approved by the Board of Regents and the New York State Comptroller. All borrowings must be approved by a majority vote of the District's residents at a public referendum.

(7) Additional Disclosures

(a) Assigned Fund Balance Designated for Subsequent Years' Expenditures

Appropriated fund balance used for levy of taxes, including appropriated reserves amounted to \$5,593,959.

(b) Restricted Fund Balances

Restricted net position consists of the following:

Employee benefits and accrued liabilities	\$ 11,586,975
Debt	9,337,606
Workers' compensation	2,323,893
Employee retirement contributions	9,014,977
Teacher retirement contributions	4,814,420
Capital outlay	26,648,705
Tax certiorari	<u>3,217,815</u>
Restricted fund balance	\$ <u>66,944,391</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Financial Statements, Continued

(8) Change in Major Fund Presentation

The Debt Service Fund is presented as a nonmajor governmental fund for the year ended June 30, 2026. For the year ended June 30, 2025, the Debt Service Fund was presented as a major governmental fund as these funds did meet the qualitative requirements to be considered a major governmental fund. The following is a summary of the change in the aggregate major and nonmajor governmental fund balance as of June 30, 2026:

	Major Governmental <u>Funds</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Fund balance as of June 30, 2025, before change	\$ 68,282,353	2,481,761	70,764,114
Change in major fund presentation	<u>(9,129,418)</u>	<u>9,129,418</u>	<u>-</u>
Fund balance as of June 30, 2025, as restated	\$ <u>59,152,935</u>	<u>11,611,179</u>	<u>70,764,114</u>

REQUIRED SUPPLEMENTARY INFORMATION

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Required Supplementary Information
Schedule of Revenue, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
Year ended June 30, 2026

	<u>Original Budget</u>	<u>Change</u>	<u>Final Budget</u>	<u>Change</u>	<u>Actual</u>
Revenue:					
Real property taxes	\$ 145,453,748	-	145,453,748	(5,918,313)	139,535,435
Other tax items	690,670	-	690,670	6,340,853	7,031,523
Charges for services	236,675	-	236,675	43,878	280,553
Use of money and property	3,402,500	-	3,402,500	(35,090)	3,367,410
Sale of property and compensation for loss	50,800	-	50,800	69,642	120,442
State sources	67,733,037	-	67,733,037	2,161,689	69,894,726
Federal sources	300,000	-	300,000	557,060	857,060
Miscellaneous	375,950	-	375,950	208,934	584,884
Total revenue	<u>218,243,380</u>	<u>-</u>	<u>218,243,380</u>	<u>3,428,653</u>	<u>221,672,033</u>
Expenditures:					
General support	22,249,063	(1,052,357)	23,301,420	3,307,747	19,993,673
Instruction	115,010,439	(4,298,158)	119,308,597	4,997,794	114,310,803
Pupil transportation	12,917,240	(139,154)	13,056,394	423,688	12,632,706
Community services	20,650	-	20,650	20,650	-
Employee benefits	61,839,947	2,569,212	59,270,735	3,918,061	55,352,674
Total expenditures	<u>212,037,339</u>	<u>(2,920,457)</u>	<u>214,957,796</u>	<u>12,667,940</u>	<u>202,289,856</u>
Excess of revenue over expenditures	6,206,041	2,920,457	3,285,584	16,096,593	19,382,177
Other financing uses - transfers to other funds	<u>(11,200,000)</u>	<u>-</u>	<u>(11,200,000)</u>	<u>(6,437,678)</u>	<u>(17,637,678)</u>
Net change in fund balances	<u>\$ (4,993,959)</u>	<u>2,920,457</u>	<u>(7,914,416)</u>	<u>9,658,915</u>	1,744,499
Fund balance at beginning of year					51,625,085
Fund balance at end of year					<u>\$ 53,369,584</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
June 30, 2026

	<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>
Total OPEB liability									
Service cost	\$ 8,744,396	10,407,422	10,216,550	9,933,451	14,360,475	16,269,251	10,698,842	12,795,605	13,366,627
Interest	10,097,562	10,611,540	9,941,199	9,113,084	6,831,482	7,538,488	8,828,642	12,598,617	11,013,219
Changes of benefit terms	-	(856,924)	-	(858,889)	-	(2,225,176)	-	(1,939,926)	-
Changes of assumptions or other inputs	17,525,761	(55,118,507)	(3,637,605)	(29,532,022)	(69,820,085)	(39,260,461)	69,281,070	(90,786,442)	(15,456,986)
Benefit payments	<u>(5,538,598)</u>	<u>(5,485,020)</u>	<u>(5,243,359)</u>	<u>(6,083,694)</u>	<u>(5,510,610)</u>	<u>(4,989,738)</u>	<u>(4,596,205)</u>	<u>(4,576,936)</u>	<u>(3,015,787)</u>
Net change in total OPEB liability	30,829,121	(40,441,489)	11,276,785	(17,428,070)	(54,138,738)	(22,667,636)	84,212,349	(71,909,082)	5,907,073
Total OPEB liability - beginning	<u>203,920,910</u>	<u>244,362,399</u>	<u>233,085,614</u>	<u>250,513,684</u>	<u>304,652,422</u>	<u>327,320,058</u>	<u>243,107,709</u>	<u>315,016,791</u>	<u>309,139,718</u>
Total OPEB liability - ending	<u>\$ 234,750,031</u>	<u>203,920,910</u>	<u>244,362,399</u>	<u>233,085,614</u>	<u>250,513,684</u>	<u>304,652,422</u>	<u>327,320,058</u>	<u>243,107,709</u>	<u>315,046,791</u>
Covered employee payroll	\$ 118,032,247	103,386,331	103,507,527	95,073,191	90,410,559	85,484,567	92,642,090	88,869,003	86,286,725
Total OPEB liability as a percentage of covered employee payroll	198.89%	197.24%	236.08%	245.16%	277.08%	356.38%	353.32%	273.56%	365.12%
Discount rate	<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>
	4.32%	4.81%	4.21%	4.13%	3.54%	2.16%	2.21%	3.50%	3.00%

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Asset/Liability
June 30, 2026

<u>TRS System - Asset (Liability)</u>	<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>
The District's proportion of the net pension asset (liability)	0.403837%	0.401476%	0.398813%	0.402094%	0.403921%	0.404348%	0.386672%	0.387541%	0.380627%	0.321294%
The District's proportionate share of the net pension asset (liability)	\$ 23,911,418	11,978,477	(4,560,764)	(7,715,756)	69,995,629	(11,173,228)	10,045,775	7,007,769	2,893,143	(4,119,957)
The District's covered payroll	\$ 81,666,037	79,293,557	76,656,009	73,657,259	71,234,163	69,094,852	69,727,029	66,145,212	64,522,029	61,567,175
The District's proportionate share of the net pension liability (asset) as a percentage of covered payroll	29.28%	15.11%	5.95%	10.48%	98.26%	16.17%	14.41%	10.59%	4.48%	6.69%
Plan fiduciary net position as a percentage of the total pension asset (liability)	104.00%	102.10%	99.20%	98.60%	113.20%	97.80%	102.26%	101.53%	100.66%	99.01%
<u>ERS System - Asset (Liability)</u>										
The District's proportion of the net pension asset (liability)	0.0739140%	0.0763653%	0.0828691%	0.0780609%	7.6360800%	0.7880440%	0.0825812%	0.0817217%	0.0823727%	0.0825663%
The District's proportionate share of the net pension asset (liability)	\$ (4,170,039)	(13,093,376)	(12,201,686)	(16,739,403)	6,242,182	(78,469)	(21,867,967)	(5,790,229)	(2,658,532)	(7,341,982)
The District's covered payroll	\$ 31,731,696	30,941,930	30,368,464	30,394,540	26,174,942	28,262,874	27,579,233	27,340,926	26,520,916	25,686,921
The District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	13.14%	42.32%	40.18%	55.07%	23.85%	0.28%	79.29%	21.18%	10.02%	28.58%
Plan fiduciary net position as a percentage of the total pension asset (liability)	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK

Required Supplementary Information
Schedule of District's Employer Pension Contributions
June 30, 2026

<u>NYSTRS Pension Plan</u>	<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 contribution	\$ 7,831,773	8,016,579	7,481,626	7,579,332	6,980,948	6,080,676	5,860,848	6,982,037	6,147,157	6,992,117
Contributions in relation to the contractually required contribution	<u>7,831,773</u>	<u>8,016,579</u>	<u>7,481,626</u>	<u>7,579,332</u>	<u>6,980,948</u>	<u>6,080,676</u>	<u>5,860,848</u>	<u>6,982,037</u>	<u>6,147,157</u>	<u>6,992,117</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	\$ 81,666,037	79,293,557	76,656,009	73,657,259	71,234,163	69,094,852	69,727,029	66,145,212	64,522,029	61,567,175
Contributions as a percentage of covered payroll	9.6%	10.1%	9.8%	10.3%	9.8%	8.8%	8.4%	10.6%	9.5%	11.4%
 <u>NYSERS Pension Plan</u>										
Contractually required contribution	\$ 5,022,274	4,331,265	3,965,801	3,085,316	4,052,370	3,866,752	3,594,099	3,474,262	3,586,989	3,209,327
Contributions in relation to the contractually required contribution	<u>5,022,274</u>	<u>4,331,265</u>	<u>3,965,801</u>	<u>3,085,316</u>	<u>4,052,370</u>	<u>3,866,752</u>	<u>3,594,099</u>	<u>3,474,262</u>	<u>3,586,989</u>	<u>3,209,327</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	\$ 31,731,696	30,941,930	30,368,464	30,394,540	26,174,942	28,262,874	27,579,233	27,340,926	26,520,916	25,686,921
Contributions as a percentage of covered payroll	15.8%	14.0%	13.1%	10.2%	15.5%	13.7%	13.0%	12.7%	13.5%	12.5%

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Required Supplementary Information

June 30, 2026

(1) Required Information

The budgetary comparison schedules present comparisons of the original and final adopted budget and comparisons of the final budget and actual results for the General Fund and each major special revenue fund with a legally adopted annual budget. The budgetary basis of accounting is substantially the same as the basis of accounting used in preparing the fund financial statements.

The budgetary comparison schedules are required supplementary information under Governmental Accounting Standards Board Statement No. 34 and are not required part of the basic financial statements. The schedules are intended to demonstrate compliance with the legally adopted budget.

(2) Significant Budgetary Changes

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>
Other tax items	\$ 690,670	690,670	7,031,523
State sources	67,733,037	67,733,037	69,894,726
Federal sources	300,000	300,000	857,060
General support	22,249,063	23,301,420	19,993,673
Instruction	115,010,439	119,308,597	114,310,803
Employee benefits	61,839,947	59,270,735	55,352,674
Transfers out	11,200,000	11,200,000	17,637,678

- Other tax items - favorable variance due to STAR reimbursement and other payments in lieu of taxes coming in over budget.
- State sources - favorable variance due to excess cost aid revenue coming in over budget offset by general aid coming in below budget.
- Federal sources - variance due to Medicaid assistance revenue coming in over budget.
- General support - favorable variance due to contracted services and supplies expenses coming in significantly under budget.
- Instruction - favorable variance due to supplies and BOCES expenses coming in significantly below budgeted amounts.
- Employee benefits - actual employee benefit expenses will fluctuate significantly year to year due to workforce turnover and timing differences in contribution rates.
- Transfers out exceeded budgetary amounts as transfers to capital were not budgeted for.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK
Notes to Required Supplementary Information, Continued

(3) Schedule of Changes in the City's Total OPEB Liability and Related Ratios

The Schedule of Changes in the District's Total OPEB Liability and Related Ratios is required to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

Changes of assumptions reflect the effects of changes in the discount rate each period.

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

OTHER SUPPLEMENTARY INFORMATION

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Other Supplementary Information
Schedule of Change from Adopted Budget to Final Budget and
the Real Property Tax Limit - General Fund
Year ended June 30, 2026

Change from original budget to final budget:

Original budget	\$ 223,237,339
Add prior year's encumbrances	<u>2,883,202</u>
Adopted Budget	226,120,541
Additional budget amendments	<u>37,255</u>
Final budget	<u><u>\$ 226,157,796</u></u>

Section 1318 of Real Property Tax Law Limit Calculation

2025-2026 voter approved expenditure budget	234,495,425
Maximum allowed (4% of 2025-2026 budget)	9,379,817

General fund fund balance subject to Section 1318 of
Real Property Tax Law*:

Unrestricted fund balance:	
Appropriated fund balance	\$ 5,593,959
Encumbrances	2,994,914
Unassigned fund balance	<u>9,322,631</u>
Total unrestricted fund balance	17,911,504

Less:

Appropriated fund balance	5,593,959
Encumbrances	<u>2,994,914</u>
Total adjustments	<u>8,588,873</u>

General fund fund balance subject to Section 1318 of
Real Property Tax Law

\$ 9,322,631
3.98%

- * Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," updated April 2011 (originally issued November 2010), the portion of [general fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK
Schedule of Project Expenditures - Capital Projects Fund
Year ended June 30, 2026

PROJECT TITLE / NUMBER		Methods of Financing										Fund Equity (Deficiency) June 30, 2026	
		Expenditures					Unexpended Balance	Proceeds of Obligations	Proceeds of Installment Purchase Debt	Federal or State Aid	Local Sources		Total
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total							
2016-17 Repair & Maintenance Fund		\$ 700,000	700,000	700,000	-	700,000	-	-	-	-	700,000	700,000	-
2017-18 Repair & Maintenance Fund		700,000	700,000	600,844	-	600,844	99,156	-	-	-	700,000	700,000	99,156
2018-19 Repair & Maintenance Fund		700,000	700,000	-	-	-	700,000	-	-	-	700,000	700,000	700,000
2019-20 Repair & Maintenance Fund		700,000	700,000	-	-	-	700,000	-	-	-	700,000	700,000	700,000
2020-21 Repair & Maintenance Fund		700,000	700,000	-	-	-	700,000	-	-	-	700,000	700,000	700,000
2021-22 Repair & Maintenance Fund		700,000	700,000	-	-	-	700,000	-	-	-	700,000	700,000	700,000
2022-23 Repair & Maintenance Fund		700,000	700,000	196,019	-	196,019	503,981	-	-	-	700,000	700,000	503,981
2023-24 Repair & Maintenance Fund		700,000	700,000	667,367	-	667,367	32,633	-	-	-	700,000	700,000	32,633
2024-25 Repair & Maintenance Fund		700,000	700,000	30,021	-	-	669,979	-	-	-	700,000	700,000	669,979
2025-26 Repair & Maintenance Fund		700,000	700,000	-	262,725	262,725	437,275	-	-	-	700,000	700,000	437,275
Total - Repair & Maintenance Fund		7,000,000	7,000,000	2,194,251	262,725	2,456,976	4,543,024	-	-	-	7,000,000	7,000,000	4,543,024
Bus Purchases (2025-26)		-	-	-	4,524,738	4,524,738	(4,524,738)	3,345,000	-	100,000	-	3,445,000	(1,079,738)
Bus Purchases (2024-25)		-	-	3,517,404	-	3,517,404	(3,517,404)	-	-	-	-	-	(3,517,404)
Bus Purchases (2023-24)		-	-	369,535	-	369,535	(369,535)	2,435,000	-	-	-	2,435,000	2,065,465
Bus Purchases (2022-23)		1,677,840	1,677,840	1,572,744	-	1,572,744	105,096	1,675,000	-	-	-	1,675,000	102,256
Bus Purchases (2021-22)		1,757,170	1,757,170	1,755,227	-	1,755,227	1,943	1,755,000	-	-	-	1,755,000	(227)
Bus Purchases (2020-21)		2,274,847	2,274,847	2,216,131	-	2,216,131	58,716	2,270,000	-	-	-	2,270,000	53,869
Bus Purchases (2019-20)		2,153,154	2,153,154	2,152,957	-	2,152,957	197	-	-	-	-	-	(2,152,957)
Bus Purchases (2018-19)		2,381,505	2,381,505	2,381,505	-	2,381,505	-	-	-	-	3,199,924	3,199,924	818,419
Bus Purchases (2017-18)		2,174,475	2,229,772	2,229,772	-	2,229,772	-	-	-	-	2,469,802	2,469,802	240,030
Bus Purchases (2016-17)		958,700	4,300,466	2,158,700	-	2,158,700	2,141,766	958,700	-	-	2,141,475	3,100,175	941,475
Bus Purchases (2015-16)		988,365	2,188,365	2,101,030	-	2,101,030	87,335	988,365	-	-	1,200,000	2,188,365	87,335
Bus Purchases (2014-15)		1,821,557	2,934,221	1,821,557	-	1,821,557	1,112,664	1,821,557	-	-	1,112,664	2,934,221	1,112,664
Total - Bus Purchases		16,187,613	21,897,340	22,276,562	4,524,738	26,801,300	(4,903,960)	15,248,622	-	100,000	10,123,865	25,472,487	(1,328,813)
\$16M Project:													
Arongen/Shatekon 0031-010		10,762	390,962	390,962	-	390,962	-	390,962	-	-	-	390,962	-
Arongen/Shatekon 0031-014		-	1,103,800	1,088,186	-	1,088,186	15,614	987,239	-	-	-	987,239	(100,947)
Admin Building 1055-002		364	1,097	1,097	-	1,097	-	1,097	-	-	-	1,097	-
Bus Garage 5003-014		794	36,017	36,017	-	36,017	-	36,017	-	-	-	36,017	-
Chango 0010-012		15,432	277,269	277,269	-	277,269	-	277,269	-	-	-	277,269	-
District Office 1052-004		516	500,826	500,826	-	500,826	-	500,826	-	-	-	500,826	-
District Wide 7999-004		-	719,490	719,490	-	719,490	-	719,490	-	-	-	719,490	-
Ground Building 3045-002		71	1,280	1,280	-	1,280	-	1,280	-	-	-	1,280	-
High School East 0008-023		19,373	233,229	233,229	-	233,229	-	233,229	-	-	-	233,229	-
High School East 0008-024		230,020	4,128,851	4,128,851	-	4,128,851	-	3,628,851	-	-	500,000	4,128,851	-
High School East 0008-025		139,504	2,798,065	2,798,064	-	2,798,064	1	2,798,064	-	-	-	2,798,064	-
High School East 0008-027		-	148,454	148,454	-	148,454	-	148,454	-	-	-	148,454	-
High School West 0004-024		6,184	191,458	191,458	-	191,458	-	191,458	-	-	-	191,458	-
High School West 0004-026		-	572,359	572,359	-	572,359	-	572,359	-	-	-	572,359	-
Karigon/Orenda 0007-020		16,244	555,392	555,392	-	555,392	-	514,816	-	-	40,576	555,392	-
Karigon/Orenda 0007-022		-	87,999	87,999	-	87,999	-	87,999	-	-	-	87,999	-
Middle School 0001-031		15,902	84,715	84,715	-	84,715	-	84,715	-	-	-	84,715	-
Middle School 0001-033		69,943	904,885	904,885	-	904,885	-	904,885	-	-	-	904,885	-
Middle School Boiler 0001-028		-	-	-	-	-	-	-	-	-	-	-	-
Okte 0011-013		24,448	744,855	744,855	-	744,855	-	725,891	-	-	18,964	744,855	-
Press Box 7037-002		19,616	621,366	621,366	-	621,366	-	411,732	-	-	209,634	621,366	-
Skano/Tesago 0006-023		16,430	592,096	592,096	-	592,096	-	507,986	-	-	84,110	592,096	-
Skano/Tesago 0006-025		-	85,999	85,999	-	85,999	-	85,999	-	-	-	85,999	-
Available unassigned		16,616,000	1,816,169	(73,195)	-	(73,195)	1,889,364	2,289,882	-	-	162,217	2,452,099	2,525,294
Total \$16M Project		17,201,603	16,596,633	14,691,654	-	14,691,654	1,904,979	16,100,500	-	-	1,015,501	17,116,001	2,424,347

(Continued)

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK
Schedule of Project Expenditures - Capital Projects Fund, Continued

PROJECT TITLE / NUMBER	Expenditures					Unexpended Balance	Proceeds of Obligations	Proceeds of Installment Purchase Debt	Federal or State Aid	Local Sources	Total	Fund Equity (Deficiency) June 30, 2026	
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total								
S22M Project:													
Bus Garage	5003-015	\$ 703,873	839,225	839,225	-	839,225	-	839,225	-	-	-	839,225	-
Chango	0010-015	25,509	29,002	29,002	-	29,002	-	29,002	-	-	-	29,002	-
District Office	1052-005	372,773	-	-	-	-	-	-	-	-	-	-	-
District Wide	7999-004	336,348	-	-	-	-	-	-	-	-	-	-	-
District Wide	7999-005	14,520	4,755,821	4,524,065	-	4,524,065	231,756	-	-	3,113,321	-	3,113,321	(1,410,744)
High School East	0008-027	118,979	-	-	-	-	-	-	-	-	-	-	-
High School East	0008-028	164,138	12,052,913	12,006,566	-	12,006,566	46,347	11,079,533	-	-	-	11,079,533	(927,033)
High School East	0008-029	3,567,932	4,171,386	4,171,386	-	4,171,386	-	4,171,386	-	-	-	4,171,386	-
High School West	0004-026	275,643	-	-	-	-	-	-	-	-	-	-	-
High School West	0004-027	219,560	24,224	24,224	-	24,224	-	24,224	-	-	-	24,224	-
Karigon/Orenda	0007-022	65,593	-	-	-	-	-	-	-	-	-	-	-
Karigon/Orenda	0007-023	19,395	22,051	22,051	-	22,051	-	22,051	-	-	-	22,051	-
Middle School	0001-035	45,070	-	-	-	-	-	-	-	-	-	-	-
Middle School	0001-037	502,560	723,217	723,217	-	723,217	-	723,217	-	-	-	723,217	-
Okte	0011-015	24,455	27,803	27,803	-	27,803	-	27,803	-	-	-	27,803	-
Skano/Tesago	0006-025	65,551	-	-	-	-	-	-	-	-	-	-	-
Skano/Tesago	0006-026	20,977	23,850	23,850	-	23,850	-	23,850	-	-	-	23,850	-
Technology Center	0079-001	88,262	-	-	-	-	-	-	-	-	-	-	-
Available unassigned		15,595,056	76,067	76,067	-	76,067	-	826,384	-	-	-	826,384	750,317
Total S22M Project		22,226,194	22,745,559	22,467,456	-	22,467,456	278,103	17,766,675	-	3,113,321	-	20,879,996	(1,587,460)
S26M Project:													
Arongen/Shatekon	0031-015	109,183	1,089,674	1,089,674	-	1,089,674	-	-	-	-	-	-	(1,089,674)
Bus Garage	5003-016	31,712	138,862	139,573	-	139,573	(711)	-	-	-	-	-	(139,573)
Bus Garage	5003-017	-	132,928	118,151	193	118,344	14,584	-	-	-	-	-	(118,344)
Chango	0010-016	90,960	1,177,618	1,171,256	-	1,171,256	6,362	-	-	-	-	-	(1,171,256)
District Office	1052-006	114,726	92,348	92,348	-	92,348	-	-	-	-	-	-	(92,348)
Grounds Bldg	3045-003	8,480	18,589	17,719	-	17,719	870	-	-	-	-	-	(17,719)
High School East	0008-030	214,322	2,172,493	2,171,827	-	2,171,827	666	-	-	-	-	-	(2,171,827)
High School East	0008-031	44,636	3,810,864	3,851,544	-	3,851,544	(40,680)	-	-	-	-	-	(3,851,544)
High School East	0008-033	-	231,406	2,997,750	175	2,997,925	(2,766,519)	-	-	-	-	-	(2,997,925)
High School East	008-034	-	83,150	77,323	193	77,516	5,634	-	-	-	-	-	(77,516)
High School West	0004-028	37,005	500,156	500,155	-	500,155	1	-	-	-	-	-	(500,155)
High School West	0004-029	-	74,817	1,466,184	10,234	1,476,418	(1,401,601)	-	-	-	-	-	(1,476,418)
Karigon/Orenda	0007-024	118,342	1,789,077	1,780,373	-	1,780,373	8,704	-	-	-	-	-	(1,780,373)
Middle School	0001-038	222,993	3,373,269	3,373,269	-	3,373,269	-	-	-	-	-	-	(3,373,269)
Middle School	0001-039	271,308	8,801,495	8,934,384	-	8,934,384	(132,889)	-	-	-	-	-	(8,934,384)
Okte	0011-016	68,502	1,009,239	1,005,387	-	1,005,387	3,852	-	-	-	-	-	(1,005,387)
Skano/Tesago	0006-027	193,284	1,753,830	1,769,128	-	1,769,128	(15,298)	-	-	-	-	-	(1,769,128)
Available unassigned		24,974,547	250,184	119,431	-	119,431	130,753	22,267,593	-	-	2,500,000	24,767,593	24,648,162
Total S26M Project		26,500,000	26,499,999	30,675,476	10,795	30,686,271	(4,186,272)	22,267,593	-	-	2,500,000	24,767,593	(5,918,678)
S55M Maxwell Road													
Unassigned	55MX80	-	-	7,866,925	30,070,895	37,937,820	(37,937,820)	38,685,000	1,799,327	-	11,600,000	52,084,327	14,146,507
S85M Project:													
High School West	0004-030	-	-	-	201,420	201,420	(201,420)	-	-	-	5,000,000	5,000,000	4,798,580
High School West	0004-031	-	-	-	180,907	180,907	(180,907)	-	-	-	6,600,000	6,600,000	6,419,093
Middle School	0001-040	-	-	-	980,679	980,679	(980,679)	-	-	-	-	-	(980,679)
Middle School	0001-041	-	-	-	366,208	366,208	(366,208)	-	-	-	-	-	(366,208)
Middle School	0001-042	-	-	-	1,008	1,008	(1,008)	-	-	-	-	-	(1,008)
Total S26M Project		-	-	-	1,730,222	1,730,222	(1,730,222)	-	-	-	11,600,000	11,600,000	9,869,778
		\$ 89,115,410	94,739,531	100,172,324	36,599,375	136,771,699	(42,032,168)	110,068,390	1,799,327	3,213,321	43,839,366	158,920,404	22,148,705

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Other Supplementary Information
Net Investment in Capital Assets
June 30, 2026

Capital assets, net		\$ 156,153,872
Add unspent debt proceeds		17,134,318
Deduct:		
Capital projects related accounts payable	\$ 2,340,198	
Short-term portion of bonds payable	9,010,000	
Short-term portion of lease payable	3,218	
Short-term portion of unamortized bond premium	521,789	
Long-term portion of unamortized bond premium	4,091,857	
Long-term portion of bonds payable	<u>69,275,000</u>	<u>85,242,062</u>
Net investment in capital assets		<u>\$ 88,046,128</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK

Other Supplementary Information

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2026

	School <u>Lunch</u>	Miscellaneous Special <u>Revenue</u>	Debt <u>Service</u>	Total Nonmajor Governmental <u>Funds</u>
Assets:				
Cash and equivalents:				
Unrestricted	\$ 160,114	1,024,048	4,719,731	5,903,893
Restricted	-	312,089	-	312,089
Accounts receivable	5,859	87,530	-	93,389
Due from other funds	1,245,320	16,986	4,617,875	5,880,181
Due from State and Federal	736,210	-	-	736,210
Inventory	138,422	-	-	138,422
Total assets	<u>\$ 2,285,925</u>	<u>1,440,653</u>	<u>9,337,606</u>	<u>13,064,184</u>
Liabilities:				
Accounts payable	6,819	11,573	-	18,392
Accrued liabilities	9,495	997	-	10,492
Due to other governments	87	813	-	900
Due to other funds	-	148,277	-	148,277
Due to teachers' retirement system	-	23,698	-	23,698
Prepaid revenue	140,871	306,253	-	447,124
Deferred revenue	16	-	-	16
Total liabilities	<u>157,288</u>	<u>491,611</u>	<u>-</u>	<u>648,899</u>
Fund balance:				
Nonspendable	138,422	-	-	138,422
Restricted	-	-	9,337,606	9,337,606
Assigned for activity funds	-	493,020	-	493,020
Assigned for scholarships	-	312,089	-	312,089
Assigned for community services	-	143,933	-	143,933
Assigned for school lunch	1,990,215	-	-	1,990,215
Total fund balance	<u>2,128,637</u>	<u>949,042</u>	<u>9,337,606</u>	<u>12,415,285</u>
Total liabilities and fund balance	<u>\$ 2,285,925</u>	<u>1,440,653</u>	<u>9,337,606</u>	<u>13,064,184</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK

Other Supplementary Information

Combining Schedule of Revenue, Expenditures and Changes in Fund Balance -

Nonmajor Governmental Funds

Year ended June 30, 2026

	School <u>Lunch</u>	Miscellaneous Special <u>Revenue</u>	Debt <u>Service</u>	Total Nonmajor Governmental <u>Funds</u>
Revenue:				
Charges for services	\$ -	734,116	-	734,116
Use of money and property	269	-	417,388	417,657
Donations and gifts	-	56,650	-	56,650
Contributions	-	786,148	-	786,148
State sources	3,173,817	-	-	3,173,817
Federal sources	1,825,371	-	-	1,825,371
Sales	718,826	-	-	718,826
Miscellaneous	591	31	970,886	971,508
	<u>5,718,874</u>	<u>1,576,945</u>	<u>1,388,274</u>	<u>8,684,093</u>
Total revenue				
Expenditures:				
General support	1,640,745	212,172	516,961	2,369,878
Instruction	-	465,640	-	465,640
Employee benefits	920,519	86,339	-	1,006,858
Cost of sales	2,539,344	-	-	2,539,344
Scholarships	-	36,551	-	36,551
Program expense	-	798,591	-	798,591
Debt service:				
Principal	-	-	7,700,000	7,700,000
Interest	-	-	2,963,125	2,963,125
	<u>5,100,608</u>	<u>1,599,293</u>	<u>11,180,086</u>	<u>17,879,987</u>
Total expenditures				
Excess (deficiency) of revenue over expenditures	618,266	(22,348)	(9,791,812)	(9,195,894)
Other financing sources - interfund transfers in	-	-	10,000,000	10,000,000
	<u>618,266</u>	<u>(22,348)</u>	<u>208,188</u>	<u>804,106</u>
Changes in fund balances				
Fund balances at beginning of year	1,510,371	971,390	9,129,418	11,611,179
	<u>1,510,371</u>	<u>971,390</u>	<u>9,129,418</u>	<u>11,611,179</u>
Fund balances at end of year	\$ 2,128,637	949,042	9,337,606	12,415,285
	<u><u>\$ 2,128,637</u></u>	<u><u>949,042</u></u>	<u><u>9,337,606</u></u>	<u><u>12,415,285</u></u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Other Supplementary Information
Combined Balance Sheet - Miscellaneous Special Revenue Funds
June 30, 2026

	Extraclassroom Activity <u>Funds</u>	Scholarship <u>Fund</u>	Community Service and Facilities <u>Usage</u>	<u>Total</u>
Assets:				
Cash and equivalents:				
Unrestricted	\$ 514,668	-	509,380	1,024,048
Restricted	-	312,089	-	312,089
Accounts receivable	-	-	87,530	87,530
Due from other funds	13,629	-	3,357	16,986
Total assets	<u>\$ 528,297</u>	<u>312,089</u>	<u>600,267</u>	<u>1,440,653</u>
Liabilities:				
Accounts payable	-	-	11,573	11,573
Accrued liabilities	-	-	997	997
Due to other governments	813	-	-	813
Due to other funds	34,464	-	113,813	148,277
Due to teachers' retirement system	-	-	23,698	23,698
Prepaid revenue	-	-	306,253	306,253
Total liabilities	<u>35,277</u>	<u>-</u>	<u>456,334</u>	<u>491,611</u>
Fund balances - assigned:				
Activity funds	493,020	-	-	493,020
Scholarships	-	312,089	-	312,089
Community services	-	-	143,933	143,933
Total fund balances	<u>493,020</u>	<u>312,089</u>	<u>143,933</u>	<u>949,042</u>
Total liabilities and fund balances	<u>\$ 528,297</u>	<u>312,089</u>	<u>600,267</u>	<u>1,440,653</u>

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
 Other Supplementary Information
 Combined Statement of Revenue, Expenditures and Changes in Fund
 Balances - Miscellaneous Special Revenue Funds
 Year ended June 30, 2026

	Extraclassroom Activity <u>Funds</u>	Scholarship <u>Fund</u>	Community Service and Facilities <u>Usage</u>	<u>Total</u>
Revenue:				
Charges for services	\$ -	-	734,116	734,116
Donations and gifts	-	56,650	-	56,650
Contributions	786,148	-	-	786,148
Miscellaneous	-	31	-	31
Total revenue	<u>786,148</u>	<u>56,681</u>	<u>734,116</u>	<u>1,576,945</u>
Expenditures:				
General support	-	-	212,172	212,172
Instruction	-	-	465,640	465,640
Employee benefits	-	-	86,339	86,339
Scholarships	-	36,551	-	36,551
Program expense	<u>798,591</u>	-	-	<u>798,591</u>
Total expenses	<u>798,591</u>	<u>36,551</u>	<u>764,151</u>	<u>1,599,293</u>
Excess of revenue over expenditures	(12,443)	20,130	(30,035)	(22,348)
Fund balance at beginning of year	<u>505,463</u>	<u>291,959</u>	<u>173,968</u>	<u>971,390</u>
Fund balance at end of year	<u>\$ 493,020</u>	<u>312,089</u>	<u>143,933</u>	<u>949,042</u>

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

The Board of Education
Shenendehowa Central School District
at Clifton Park, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States the financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Shenendehowa Central School District at Clifton Park, New York (the District) as of and for the year ended June 30, 2026, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated , 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 basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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.

Williamsville, New York
, 2026

, 2026

CONFIDENTIAL

The Board of Education
Shenendehowa Central School District
at Clifton Park, New York

Dear Board Members:

We have completed our audit of the financial statements of the Shenendehowa Central School District at Clifton Park, New York (the District) for the year ended June 30, 2026. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal controls as your principal safeguard against irregularities which a test examination might not disclose. We now present for your consideration our comment and recommendation based upon observations made during the audit.

This report is solely for the information and use of the Board of Education, management and others within the District.

Excess Net Cash Resources - School Lunch Fund

During our audit, we noted that the District's net cash resources, defined as fund balance by the New York State Education Department (NYSED), in the School Lunch Fund were greater than three months of average operating expenditures as of June 30, 2026. Federal regulations require District's to limit their net cash resources to an amount that does not exceed three months of average operating expenditures. NYSED monitors compliance with this requirement through annual reviews of the District's financial information. As a result of the excess net cash resources, the District is required to create and implement a spending plan to ensure that the excess net cash resources are spent by June 30, 2027. The plan is required to be maintained by the District and made readily available upon request. We recommend that the District create and implement a spending plan which takes into account the excess net cash resources as of June 30, 2026, as well as any additional excess revenue over expenditures that may occur in the coming year, to ensure compliance as of and for the year ending June 30, 2027.

The Board of Education
Shenendehowa Central School District
at Clifton Park, New York
Page 2

Management's Response - The Director of Food Service and Assistant Superintendent for Finance and Operations will be responsible for ensuring excess funds will be spent by June 30, 2027 on approved purchases from the NYS Education Department Child Nutrition Program Administration Capital Equipment List. The equipment being purchased will enhance the program and quality of the food served. Funds will also be spent on Allowable Unrestricted Costs and Department Salaries. To avoid having an excess fund balance in the future, financial statements will be monitored and purchases will be made appropriately to ensure compliance as of and for the year ended June 30, 2027.

* * * * *

We wish to take this opportunity to express our appreciation for the courtesy and cooperation extended to us by the District during the audit. If you have any questions regarding the foregoing comment or wish any assistance in its implementation, please contact us at your convenience.

Very truly yours,

EFPR GROUP, CPAs, PLLC

REPORT TO THE BOARD

, 2026

The Board of Education
Shenendehowa Central School District
at Clifton Park, New York

Dear Board Members:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shenendehowa Central School District at Clifton Park, New York (the District) for the year ended June 30, 2026. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, Government Auditing Standards and the Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2026. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended June 30, 2026, we evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

Significant Disclosures

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this report, professional standards define a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain enquires of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed form the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

* * * * *

This information is intended solely for the use of the Board of Education and management of Shenendehowa Central School District at Clifton Park, New York and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

EFPR GROUP, CPAs, PLLC

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Single Audit and
Independent Auditors' Report

June 30, 2026

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Table of Contents

	<u>Page</u>
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	1 - 2
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Report on Schedule of Expenditures of Federal Awards	3 - 5
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7 - 8
Schedule of Findings and Questioned Costs	9
Status of Prior Year Audit Findings	10

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

The Board of Education
Shenendehowa Central School District
at Clifton Park, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Shenendehowa Central School District at Clifton Park, New York (the District), as of and for the year ended June 30, 2026, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____, 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Williamsville, New York
, 2026

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Board of Education
Shenendehowa Central School District
at Clifton Park, New York:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Shenendehowa Central School District at Clifton Park, New York's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the District's major federal program for the year ended June 30, 2026. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2026.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such

that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2026, and the related notes to financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated , 2026, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Williamsville, New York
, 2026

SHENENDEHOWA CENTRAL SCHOOL DISTRICT AT CLIFTON PARK, NEW YORK
Schedule of Expenditures of Federal Awards
Year ended June 30, 2026

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or pass-through number</u>	<u>Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Agriculture Child Nutrition Cluster:</u>				
National Breakfast	10.553	Not Applicable	\$ 289,873	-
National School Lunch	10.555	Not Applicable	1,347,855	-
Food Distribution	10.559	Not Applicable	192,515	-
Total U.S. Department of Agriculture			1,830,243	-
<u>U.S. Department of Homeland Security:</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	34,001	-
<u>U.S. Department of Education:</u>				
Passed through New York State Education Department:				
Title I Grants to Local Educational Agencies	84.010A	0021-25-2675	141,703	-
Title I Grants to Local Educational Agencies	84.010A	0021-26-2675	252,117	-
			393,820	-
Title III - Part A - LEP	84.365A	0293-23-2675	41,255	-
Title III - Part A - LEP	84.365A	0293-24-2675	6,964	-
			48,219	-
Title II - Part A - Teacher and Principal Recruitment and Training	84.367A	0147-25-2675	12,255	-
Title II - Part A - Teacher and Principal Recruitment and Training	84.367A	0147-26-2675	152,532	-
			164,787	-
Title IV	84.424A	0204-25-2675	43,631	-
Special Education Cluster:				
Section 611 - Special Education - Grants to States	84.027A	0032-25-0808	2,281,534	-
Section 619 - Special Education-Preschool Grants	84.173A	0033-25-0808	102,694	-
Total Special Education Cluster			2,384,228	-
Total U.S. Department of Education			3,034,685	-
Total Expenditures of Federal Awards			\$ 4,898,929	-

See accompanying notes to schedule of expenditures of federal awards.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Schedule of Expenditures of Federal Awards

June 30, 2026

(1) Summary of Certain Significant Accounting Policies

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

(2) Scope of Audit Pursuant to the Uniform Guidance

The District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

(3) Subrecipients

No amounts were provided to subrecipients.

(4) Food Donation

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2026, the District received food commodities totaling \$192,515.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Notes to Schedule of Expenditures of Federal Awards, Continued

(5) Relationship to Financial Statements

Federal sources included in governmental funds statement of revenue, expenditures and changes in fund balance	\$ 5,721,988
Less federal Medicaid revenue	<u>(823,059)</u>
Total expenditures of federal awards	\$ <u>4,898,929</u>

(6) Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. The District's indirect cost rate is set by New York State.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Schedule of Findings and Questioned Costs

Year ended June 30, 2026

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statement audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified?

___ Yes x No

2. Significant deficiency(ies) identified?

___ Yes x None
reported

3. Noncompliance material to financial statements noted?

___ Yes x No

Federal Awards:

Internal control over major programs:

4. Material weakness(es) identified?

___ Yes x No

5. Significant deficiency(ies) identified?

___ Yes x None
reported

Type of auditors' report issued on compliance for major programs:

Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)?

___ Yes x No

7. The District's major program audited was:

Assistance Listing
Number

Name of Federal Program

Child Nutrition Cluster

10.553/10.555/10.559

8. Dollar threshold used to distinguish between Type A and Type B programs.

\$1,000,000

9. Auditee qualified as low-risk auditee?

x Yes ___ No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings or questioned costs.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK
Status of Prior Year Audit Findings
Year ended June 30, 2026

There were no audit findings in the prior year financial statements (June 30, 2025).

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Extraclassroom Activity Funds
and Independent Auditors' Report

June 30, 2026

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Extraclassroom Activity Funds

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Statement of Cash Receipts, Cash Disbursements and Cash Balances	3 - 9
Note to Financial Statement	10

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Shenendehowa Central School District
at Clifton Park, New York:

Opinion

We have audited the accompanying statement of cash receipts, cash disbursements, and cash balances of the Shenendehowa Central School District at Clifton Park, New York (the District) as of and for the year ended June 30, 2026, and the related note to financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash receipts, cash disbursements and cash balances of the District, as of June 30, 2026, in accordance with the cash basis of accounting described in note 1(b).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to note 1(b) of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in note 1(b); this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 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 statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 statement.
- 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.

Williamsville, New York
, 2026

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK
Extraclassroom Activity Funds
Statement of Cash Receipts, Cash Disbursements and Cash Balances
Year ended June 30, 2026

<u>High School</u>	Cash Balances at July 1, 2025	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balances at June 30, 2026
World of Difference	\$ 175	-	-	175
Tri-M	2,326	495	772	2,049
Speech and Debate	90	1,559	-	1,649
Shen Dance Team	4,758	9,879	8,671	5,966
SFA Senate	8,635	16,390	12,538	12,487
National Honor Society	639	1,076	1,079	636
Latin Club	592	-	65	527
International Club	223	-	16	207
High School West Ski Club	3,145	7,650	5,220	5,575
High School Technology Club	54,868	5,690	4,778	55,780
High School Key Club	1,162	7,758	7,854	1,066
High School East Ski Club	8,276	14,500	11,478	11,298
French Club	118	-	-	118
FBLA	867	2,418	301	2,984
Class of 2029	-	5,981	1,941	4,040
Class of 2028	2,170	4,596	4,725	2,041
Class of 2027	3,133	43,919	44,452	2,600
Class of 2026	11,998	54,257	59,698	6,557
Class of 2025	7,868	120	7,988	-
Carillon Yearbook	27,333	7,822	21,640	13,515
Breakfast and Bibles Club	-	1,500	-	1,500
Best Buddies	1,913	414	384	1,943
Shen Maker Club	1,453	400	-	1,853
HSW Drama Club	1,077	18,892	13,693	6,276

(Continued)

See accompanying note to financial statement.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK
Extraclassroom Activity Funds
Statement of Cash Receipts, Cash Disbursements and Cash Balances, Continued

	Cash Balances at July 1, 2025	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balances at June 30, 2026
<u>High School, Continued</u>				
Musical Activity	\$ 38,749	42,990	53,794	27,945
Art Club	329	3	49	283
Habitat for Humanity	283	-	-	283
National Art Honor Society	1,784	2,294	2,004	2,074
DECA Club	329	27,446	27,421	354
HSW Breakfast Club	164	-	-	164
Model UN	1,098	2,175	-	3,273
High School Women's Empowerment	553	624	572	605
High School Rho Kappa	89	-	-	89
SSNHS	1,387	-	-	1,387
HS Shen Society Women's Engine	144	-	-	144
HS Environmental Club	528	329	136	721
HSW Environment Club	361	-	-	361
Activity	<u>92,404</u>	<u>148,142</u>	<u>138,999</u>	<u>101,547</u>
Total High School	<u>281,021</u>	<u>429,319</u>	<u>430,268</u>	<u>280,072</u>
<u>Gowana Middle School</u>				
Music Activity	3,107	14,200	13,387	3,920
NJHS	-	500	-	500
Gowana Rocket Club	-	2,273	450	1,823
Gowana Student Council	4,656	6,356	7,713	3,299
Gowana Ski Club	537	6,250	6,247	540
Gowana School Climate Club	9,133	3,543	4,830	7,846
Gowana Class Book Club	7,982	4	3,082	4,904
Gowana Latin Class	25	-	-	25
Activity	<u>9,200</u>	<u>31,662</u>	<u>26,341</u>	<u>14,521</u>
Total Gowana Middle School	<u>34,640</u>	<u>64,788</u>	<u>62,050</u>	<u>37,378</u>

(Continued)

See accompanying note to financial statement.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK
Extraclassroom Activity Funds
Statement of Cash Receipts, Cash Disbursements and Cash Balances, Continued

	Cash Balances at July 1, 2025	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balances at June 30, 2026
<u>Koda Middle School</u>				
Koda Tri Bldg Clubs	\$ 4,126	3,783	1,446	6,463
Koda Student Council	7,953	639	1,124	7,468
Koda NJHS Club	5,617	1,452	1,998	5,071
Koda Ski Club	859	6,000	4,500	2,359
Koda Yearbook Activity	3,939	5	90	3,854
Koda Band Activity	7,641	1,000	8,500	141
Koda Musical Theater Club	11,424	8,385	9,849	9,960
Koda Future Cities Activity	1,262	-	-	1,262
Koda Classroom Activity	24,486	47,297	49,061	22,722
Total Koda Middle School	67,307	68,561	76,568	59,300
<u>Acadia Middle School</u>				
Acadia Tri Bldg Clubs	4,742	6,280	6,247	4,775
Acadia Shen Buddies Club	499	708	52	1,155
Acadia NJHS Club	247	1,421	1,526	142
Acadia Yearbook Club	5,629	2,920	2,556	5,993
Acadia Student Council	338	4,009	2,395	1,952
Acadia Ski Club	522	5,720	5,785	457
Acadia Odyssey of the Mind Club	241	-	-	241
Acadia Lego Bldg & Robotics Club	235	-	-	235
Acadia First Lego League Club	622	6,982	6,191	1,413
Acadia Future Cities Club	505	-	-	505
Acadia Adventure Club	575	-	-	575
Activity	23,202	37,653	41,031	19,824
Total Acadia Middle School	37,357	65,693	65,783	37,267
Total Middle Schools	139,304	199,042	204,401	133,945

(Continued)

See accompanying note to financial statement.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK
Extraclassroom Activity Funds
Statement of Cash Receipts, Cash Disbursements and Cash Balances, Continued

	Cash Balances at July 1, 2025	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balances at June 30, 2026
<u>Arongen Elementary School</u>				
Arongen Student Council	\$ 1	-	-	1
Arongen Musical Theatre Co.	3,551	3,166	2,670	4,047
Arongen Music	-	622	621	1
Arongen Kindness Club	196	20	-	216
Arongen 5th Grade	972	7,918	7,557	1,333
Total Arongen Elementary School	4,720	11,726	10,848	5,598
<u>Chango Elementary School</u>				
Chango Student Council	1,990	-	1,110	880
Chango Music	96	40	40	96
Chango ISD	198	568	744	22
Chango Kindergarten	10	-	-	10
Chango Drama Club	-	240	189	51
Chango 5th Grade	2,615	11,627	10,726	3,516
Chango 4th Grade	348	704	-	1,052
Chango 3rd Grade	490	410	-	900
Chango 2nd Grade	321	367	522	166
Chango 1st Grade	-	170	170	-
Total Chango Elementary School	6,068	14,126	13,501	6,693

(Continued)

See accompanying note to financial statement.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK
Extraclassroom Activity Funds
Statement of Cash Receipts, Cash Disbursements and Cash Balances, Continued

	Cash Balances at July 1, 2025	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balances at June 30, 2026
<u>Karigon Elementary School</u>				
Karigon Student Council	\$ 3,818	-	600	3,218
Karigon School Store	3,346	10,411	9,416	4,341
Karigon School Musical	282	785	785	282
Karigon Chess Club	284	-	-	284
Karigon Chorus	84	1,827	1,910	1
Karigon Ski Club	33	-	33	-
Karigon 5th Grade	3,207	1,960	3,456	1,711
Karigon 4th Grade	1,464	2,054	2,767	751
Karigon 3rd Grade	64	633	420	277
Karigon 2nd Grade	487	1,698	1,590	595
Karigon 1st Grade	1,166	3,469	4,519	116
Total Karigon Elementary School	14,235	22,837	25,496	11,576
<u>Okte Elementary School</u>				
Okte Yearbook	541	-	-	541
Okte Student Council Playground	5,811	-	-	5,811
Okte Student Council	1,003	406	390	1,019
Okte Morning Program	2,027	-	-	2,027
Okte Ski/Snowboard	-	3,630	3,600	30
Okte General Specials	113	152	100	165
Okte ISD Classroom	64	20	-	84
Okte Drama Club	2,135	1,054	1,158	2,031
Okte 5th Grade	1	740	740	1
Okte 4th Grade	35	830	773	92
Okte 2nd Grade	132	640	757	15
Okte 1st Grade	190	585	684	91
Total Okte Elementary School	12,052	8,057	8,202	11,907

(Continued)

See accompanying note to financial statement.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK
Extraclassroom Activity Funds
Statement of Cash Receipts, Cash Disbursements and Cash Balances, Continued

	Cash Balances at July 1, 2025	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balances at June 30, 2026
<u>Orenda Elementary School</u>				
Orenda Student Council	\$ 2,508	770	1,416	1,862
Orenda Yearbook	644	-	-	644
Orenda Music	3	468	467	4
Orenda Orchestra	-	60	60	-
Orenda Ice Skating Club	217	-	-	217
Orenda Ski Club	96	4,627	4,710	13
Orenda 5th Grade	262	2,405	2,493	174
Orenda 4th Grade	322	4,147	4,310	159
Orenda 3rd Grade	553	2,120	2,673	-
Orenda 2nd Grade	310	1,510	1,666	154
Orenda 1st Grade	288	1,701	1,894	95
Total Orenda Elementary School	<u>5,203</u>	<u>17,808</u>	<u>19,689</u>	<u>3,322</u>
<u>Shatekon Elementary School</u>				
Shatekon Student Council-5th grade	2,252	9,458	10,371	1,339
Shatekon Ski Club	220	4,440	4,410	250
Shatekon Music	368	240	240	368
Shatekon Drama Club	9,011	8,242	8,474	8,779
Shatekon FSD 1	40	-	-	40
Shatekon 4th Grade	434	685	1,119	-
Shatekon 3rd Grade	593	745	1,045	293
Shatekon 1st Grade	5	1,200	1,203	2
Total Shatekon Elementary School	<u>12,923</u>	<u>25,010</u>	<u>26,862</u>	<u>11,071</u>

(Continued)

See accompanying note to financial statement.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK
Extraclassroom Activity Funds
Statement of Cash Receipts, Cash Disbursements and Cash Balances, Continued

	Cash Balances at July 1, 2025	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balances at June 30, 2026
<u>Skano Elementary School</u>				
Skano Ski	\$ 135	4,368	4,350	153
Skano Kindergarten	101	350	359	92
Skano 5th Grade	347	12,530	12,434	443
Skano 4th Grade	100	3,464	3,459	105
Skano 3rd Grade	136	2,000	2,035	101
Skano 2nd Grade	107	2,479	2,575	11
Skano 1st Grade	279	2,230	2,496	13
Total Skano Elementary School	1,205	27,421	27,708	918
<u>Tesago Elementary School</u>				
Tesago Yearbook	919	-	-	919
Tesago Theatre Club	1,098	12,226	8,282	5,042
Tesago Student Council	24,712	303	8,522	16,493
Tesago Ski	30	-	-	30
Tesago Music	-	9,398	6,018	3,380
Tesago 5th Grade	1,244	6,186	5,986	1,444
Tesago 4th Grade	164	608	625	147
Tesago 3rd Grade	349	559	504	404
Tesago 2nd Grade	203	764	919	48
Tesago 1st Grade	7	770	766	11
Total Tesago Elementary School	28,726	30,814	31,622	27,918
<u>Miscellaneous</u>				
Due to NYS Sales Tax	70	14,474	13,731	813
Due to Other Funds	3,452	31,012	-	34,464
Due from Other Funds	(11,197)	-	2,432	(13,629)
Total Miscellaneous	(7,675)	45,486	16,163	21,648
Total Elementary Schools and Miscellaneous	77,457	203,285	180,091	100,651
Total	\$ 497,782	831,646	814,760	514,668

See accompanying note to financial statement.

SHENENDEHOWA CENTRAL SCHOOL DISTRICT
AT CLIFTON PARK, NEW YORK

Extraclassroom Activity Fund

Notes to Financial Statement

June 30, 2026

(1) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The extraclassroom activity fund of the Shenendehowa Central School District at Clifton Park, New York (the District) represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity fund is independent of the District with respect to its financial transactions and the designation of student management. Separate financial statements are issued for this fund. The District also reports this fund in its financial statements, within its miscellaneous special revenue extraclassroom activity fund.

(b) Basis of Accounting

The accounts of the extraclassroom activity fund are maintained on the cash basis of accounting, and the statement of cash receipts, cash disbursements and cash balances reflects only cash received, disbursed and transferred between funds. Therefore, receivables and payables, inventory, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statement.