BELFAST CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2026

BELFAST CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Belfast Central School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the District as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

GAAP requires that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the 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 (GASB), 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis 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 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 accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lyman & McCormick, LLP

October 13, 2026

Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) of Belfast Central School District (the District) provides an overview of the District's financial activities and performance for the year ended June 30, 2026. The information contained in the MD&A should be considered in conjunction with the information presented in the District's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to obtaining a full understanding of the District's financial position and results of operations. The District's financial statements have the following components: (1) government-wide financial statements; (2) governmental fund financial statements; (3) reconciliations between the government-wide and governmental fund financial statements; (4) fiduciary fund financial statements; (5) notes to the financial statements; (6) required supplementary information; and (7) supplementary information.

In 2026, the District implemented GASB Statements No. 103, *Financial Reporting Model Improvements,* No. 104, *Disclosures of Certain Capital Assets*, and No. 105, *Subsequent Events*. GASB 103 updates certain aspects of the governmental financial reporting model, including this MD&A, budgetary comparison information, and unusual or infrequent items, if any. The statement is intended to enhance the usefulness of governmental financial reports for decision-making and accountability. GASB 104 requires that lease assets, intangible right-to-use assets, and subscription assets be separately disclosed by major class of underlying asset in the capital assets note disclosure. In addition, capital assets held for sale, if any, are required to be evaluated each reporting period and additional disclosures are also required. GASB 105, which is being early implemented, establishes guidance for identifying and reporting events that occur after the date of the financial statements but before the financial statements are available to be issued, clarifies the distinction between recognized and nonrecognized subsequent events, and requires disclosure of the date through which subsequent events have been evaluated.

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

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

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

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

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

Financial Summary and Detailed Analyses

Condensed Statement of Net Position	2026	2025	Change $	Change %
Current and other assets	$ 5,229,000	$ 4,276,000	$ 953,000	22.3%
Capital assets	25,351,000	25,842,000	(491,000)	(1.9%)
Total assets	30,580,000	30,118,000	462,000	1.5%
Deferred outflows of resources	2,005,000	1,939,000	66,000	3.4%
Long-term liabilities	14,015,000	9,364,000	4,651,000	49.7%
Other liabilities	873,000	6,446,000	(5,573,000)	(86.5%)
Total liabilities	14,888,000	15,810,000	(922,000)	(5.8%)
Deferred inflows of resources	1,326,000	745,000	581,000	78.0%
Net position				
Net investment in capital assets	13,571,000	13,715,000	(144,000)	(1.0%)
Restricted	3,640,000	2,394,000	1,246,000	52.0%
Unrestricted (deficit)	(840,000)	(607,000)	(233,000)	38.4%
Total net position	$ 16,371,000	$ 15,502,000	$ 869,000	5.6%

Net position amounted to $16,371,000 and $15,502,000 at June 30, 2026 and 2025**,** respectively. The largest portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment, less the related debt used to acquire or lease those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

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

Total assets increased by $462,000 ($1,700,000 or 6.0% increase in 2025). Current and other assets increased $953,000 ($816,000 or 16.0% decrease in 2025) primarily as a result of an increase in the net pension asset from the District's proportionate share of the TRS net pension position of $530,000 in addition to an increase of $351,000 in accounts and state and federal aid receivables. Capital assets decreased by $491,000 ($2,516,000 or 10.8% increase in 2025) due to depreciation expense, amortization expense, and disposals exceeding additions.

Total liabilities decreased $922,000 ($1,327,000 or 9.2% increase in 2025). Long-term liabilities increased $4,651,000 (decrease of $801,000 or 7.9% in 2025) and other liabilities decreased $5,573,000 ($2,128,000 or 49.3% increase in 2025) primarily due to the conversion of a bond anticipation note (BAN) into a serial bond of $4,800,000.

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

Condensed Statement of Activities	2026	2025	Change $	Change %
Revenues				
Program revenues				
Charges for services	**$ 208,000**	$ 154,000	$ 54,000	35.1%
Operating and capital grants and contributions	**1,008,000**	1,249,000	(241,000)	(19.3%)
General revenues				
Real property taxes and tax items	**2,095,000**	2,188,000	(93,000)	(4.3%)
State aid	**9,667,000**	9,351,000	316,000	3.4%
Miscellaneous	**267,000**	216,000	51,000	23.6%
Total revenues	**13,245,000**	13,158,000	87,000	0.7%
Expenses				
Instruction	**8,145,000**	8,497,000	(352,000)	(4.1%)
Support services				
General support	**2,579,000**	2,645,000	(66,000)	(2.5%)
Pupil transportation	**704,000**	881,000	(177,000)	(20.1%)
Community service	**-**	163,000	(163,000)	(100.0%)
Food service	**517,000**	486,000	31,000	6.4%
Interest	**431,000**	482,000	(51,000)	(10.6%)
Total expenses	**12,376,000**	13,154,000	(778,000)	(5.9%)
Change in net position	**869,000**	4,000	865,000	21625.0%
Net position – beginning	**15,502,000**	15,498,000	4,000	0.0%
Net position – ending	**$ 16,371,000**	$ 15,502,000	$ 869,000	5.6%

District revenues increased by $87,000 in 2026 ($1,813,000 or 12.1% decrease in 2025). State aid increased $316,000 (a decrease of $490,000 or 5.0% in 2025) primarily due to increases in general and excess cost aid. This increase was partially offset by a decrease in operating and capital grants and contributions of $241,000 ($1,608,000 or 56.3% decrease in 2025) primarily due to a decrease in grants received from State sources.

Total expenses decreased $778,000 in 2026 ($73,000 or 0.6% increase in 2025) due to a decrease in community services expense of $163,000 due to the removal of the Library fund from the District's funds, transportation-related expenses of $177,000 due to a decrease in staffing, and employee benefits of $149,000 due to a decrease in health insurance costs and pension expense.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds increased from a deficit of $2,436,000 to a fund balance of $3,362,000 as further described below:

- Total fund basis revenues increased $101,000 or 0.8% ($1,836,000 or 12.3% decrease in 2025) due to increases in State aid as discussed above, offset by a decrease in federal aid received. Total fund basis expenditures decreased $3,655,000 or 22.1% ($999,000 or 6.4% increase in 2025) due to decreases in capital outlay expenditures on ongoing capital projects in the amount of $2,743,000, in addition to general fund expenditures of $652,000 discussed below.
- The general fund experienced a net increase of $796,000 ($293,000 decrease in 2025) for the following reasons:
  - Revenues increased $440,000 due to the previously mentioned increases in State aid.
  - Expenditures decreased $652,000 due to decreases in bus purchases of $218,000, general maintenance contractual costs of $178,000, employee benefits of $138,000, and transportation-related salaries of $110,000, as discussed above.
- The capital projects fund experienced an increase of $5,043,000 ($2,932,000 decrease in 2025) due to the conversion of a BAN into a bond.

Capital Assets

	2026	2025
Land	$ 57,000	$ 57,000
Buildings and improvements	28,587,000	28,587,000
Equipment and vehicles	3,810,000	3,710,000
Construction in progress	5,226,000	4,899,000
	37,680,000	37,253,000
Accumulated depreciation	(12,669,000)	(11,765,000)
	25,011,000	25,488,000
Right-to-use leased equipment, net	340,000	354,000
	$ 25,351,000	$ 25,842,000

Current year additions of $427,000 were offset by depreciation and amortization expense and disposals of $918,000.

Long-Term Financing

At June 30, 2026, the District had $10,595,000 in debt outstanding, with $735,000 due within one year ($6,280,000 outstanding at June 30, 2025). Additional information on the District's long-term financing can be found in the Long-Term Liabilities note to the financial statements.

Currently Known Facts, Decisions, or Conditions

School districts in New York State remain impacted by the political pressures imposed on elected officials in funding of education, inflationary pressures, and negotiations regarding labor contracts. Year to year changes in funding levels and State aid formulas complicate this process.

The District's 2027 budget increased to $12,760,000, an increase of $149,000 or 1.2% over the prior year. The increase is primarily expected to be funded from increases in State aid of $75,000 and the real property tax levy of $67,000 or 3.5%, which remains within the tax levy cap. See the District's budget newsletter and property tax report card available on the District's website for additional information.

See the Schedule of Capital Project Expenditures in the supplementary information section of these financial statements for additional details on approved capital projects and spending through June 30, 2026.

Contacting the District's Financial Management

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

Statement of Net Position

June 30, 2026
(With comparative totals as of June 30, 2025)

	2026	2025
Assets		
Cash	**$ 2,876,135**	$ 2,795,744
Accounts and state and federal aid receivable	**1,053,615**	702,957
Due from other governments	**254,510**	256,398
Inventory	**12,783**	18,237
Due from fiduciary fund	**336**	668
Net pension asset	**1,032,171**	502,315
Capital assets (Note 4)	**38,240,209**	37,886,022
Accumulated depreciation and amortization	**(12,889,487)**	(12,044,011)
Total assets	**30,580,272**	30,118,330
Deferred Outflows of Resources		
Defeasance loss	**125,140**	144,653
Deferred outflows of resources related to pensions	**1,547,149**	1,513,127
Deferred outflows of resources related to OPEB	**332,476**	280,872
Total deferred outflows of resources	**2,004,765**	1,938,652
Liabilities		
Accounts payable	**339,972**	461,570
Accrued liabilities	**39,843**	246,771
Due to retirement systems	**493,474**	449,383
Bond anticipation notes	**-**	5,287,995
Long-term liabilities		
Due within one year:		
Energy performance contract	**35,000**	35,000
Bonds	**700,000**	450,000
Compensated absences	**202,000**	170,000
Due beyond one year:		
Energy performance contract	**200,000**	235,000
Bonds and related premiums	**10,970,321**	6,486,577
Compensated absences	**641,000**	427,000
Net pension liability	**185,631**	588,169
Total OPEB liability	**1,080,608**	972,773
Total liabilities	**14,887,849**	15,810,238
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	**1,226,151**	671,034
Deferred inflows of resources related to OPEB	**100,342**	73,581
Total deferred inflows of resources	**1,326,493**	744,615
Net Position		
Net investment in capital assets	**13,570,541**	13,714,980
Restricted	**3,640,352**	2,393,845
Unrestricted (deficit)	**(840,198)**	(606,696)
Total net position	**$ 16,370,695**	$ 15,502,129

See accompanying notes.

Statement of Activities

For the year ended June 30, 2026
(With summarized comparative totals for June 30, 2025)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue: 2026	Net (Expense) Revenue: 2025
Governmental activities					
General support	$ 2,578,674	$ -	$ -	**$ (2,578,674)**	$ (2,644,753)
Instruction	8,145,549	186,212	606,394	**(7,352,943)**	(7,499,794)
Pupil transportation	704,680	-	-	**(704,680)**	(881,087)
Community service	-	-	-	**-**	(159,761)
Interest expense	431,071	-	-	**(431,071)**	(482,652)
Food service	516,922	21,335	401,973	**(93,614)**	(83,433)
	$ 12,376,896	$ 207,547	$ 1,008,367	**(11,160,982)**	(11,751,480)
	General revenues				
	Real property taxes and tax items			**2,095,265**	2,188,034
	State aid			**9,666,905**	9,351,345
	Miscellaneous			**267,378**	216,349
	Total general revenues			**12,029,548**	11,755,728
	Change in net position			**868,566**	4,248
	Net position - beginning			**15,502,129**	15,497,881
	Net position - ending			**$ 16,370,695**	$ 15,502,129

See accompanying notes.

Balance Sheet - Governmental Funds

June 30, 2026
(With summarized comparative totals as of June 30, 2025)

	General	Special Aid	Capital Projects	Debt Service	Food Service	Miscellaneous Special Revenue	Total Governmental Funds 2026	Total Governmental Funds 2025
Assets								
Cash	$ 2,763,174	$ 6,119	$ 8,392	$ 24,953	$ 61,738	$ 11,759	**$ 2,876,135**	$ 2,795,744
Accounts and state and federal aid receivable	579,748	435,623	-	-	38,244	-	**1,053,615**	702,957
Due from other governments	254,510	-	-	-	-	-	**254,510**	256,398
Due from other funds, net	107,221	-	-	96,414	-	668	**204,303**	259,165
Inventory	-	-	-	-	12,783	-	**12,783**	18,237
Total assets	$ 3,704,653	$ 441,742	$ 8,392	$ 121,367	$ 112,765	$ 12,427	**$ 4,401,346**	$ 4,032,501
Liabilities								
Accounts payable	$ 116,023	$ 223,884	$ -	$ -	$ 65	$ -	**$ 339,972**	$ 461,570
Accrued liabilities	-	-	-	-	2,343	-	**2,343**	10,771
Due to retirement systems	369,108	124,366	-	-	-	-	**493,474**	449,383
Due to other funds, net	-	93,492	30,979	-	79,496	-	**203,967**	258,497
Bond anticipation notes	-	-	-	-	-	-	**-**	5,287,995
Total liabilities	485,131	441,742	30,979	-	81,904	-	**1,039,756**	6,468,216
Fund Balances								
Nonspendable	-	-	-	-	12,783	-	**12,783**	18,237
Restricted	2,474,387	-	-	121,367	-	12,427	**2,608,181**	1,891,530
Assigned	239,041	-	-	-	18,078	-	**257,119**	241,203
Unassigned (deficit)	506,094	-	(22,587)	-	-	-	**483,507**	(4,586,685)
Total fund balances (deficit)	3,219,522	-	(22,587)	121,367	30,861	12,427	**3,361,590**	(2,435,715)
Total liabilities and fund balances	$ 3,704,653	$ 441,742	$ 8,392	$ 121,367	$ 112,765	$ 12,427	**$ 4,401,346**	$ 4,032,501

See accompanying notes.

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

June 30, 2026

Total fund balances - governmental funds		$ 3,361,590
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds.		25,350,722
The District's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide financial statements and include:		
Net pension asset	1,032,171	
Deferred outflows of resources related to pensions	1,547,149	
Net pension liability	(185,631)	
Deferred inflows of resources related to pensions	(1,226,151)	1,167,538
Defeasance losses associated with bond refundings are recognized as deferred outflows of resources in the government-wide financial statements.		125,140
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized in the government-wide financial statements and include:		
Deferred outflows of resources related to OPEB	332,476	
Total OPEB liability	(1,080,608)	
Deferred inflows of resources related to OPEB	(100,342)	(848,474)
Certain liabilities are not due and payable currently and therefore are not reported as liabilities in the governmental funds. These liabilities are:		
Accrued interest	(37,500)	
Energy performance contract	(235,000)	
Bonds and related premiums	(11,670,321)	
Compensated absences	(843,000)	(12,785,821)
Net position - governmental activities		$ 16,370,695

See accompanying notes.

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

For the year ended June 30, 2026
(With summarized comparative totals for June 30, 2025)

	General	Special Aid	Capital Projects	Debt Service	Food Service	Miscellaneous Special Revenue	Total Governmental Funds 2026	Total Governmental Funds 2025
Revenues								
Real property taxes	$ 1,814,270	$ -	$ -	$ -	$ -	$ -	**$ 1,814,270**	$ 1,897,392
Real property tax items	280,995	-	-	-	-	-	**280,995**	290,642
Charges for services	186,212	-	-	-	-	-	**186,212**	128,066
Use of money and property	31,773	-	-	620	108	-	**32,501**	55,901
Sale of property and compensation for loss	84,013	-	-	-	-	-	**84,013**	3,823
Miscellaneous	147,960	79,990	-	-	-	5,398	**233,348**	227,826
State sources	9,666,905	204,777	-	-	88,312	-	**9,959,994**	9,817,891
Federal sources	21,332	300,295	-	-	313,661	-	**635,288**	699,605
Sales	-	-	-	-	21,335	-	**21,335**	25,972
Total revenues	12,233,460	585,062	-	620	423,416	5,398	**13,247,956**	13,147,118
Expenditures								
General support	1,984,934	-	-	136,891	167,656	-	**2,289,481**	2,272,971
Instruction	5,295,746	500,189	-	-	-	3,919	**5,799,854**	6,052,192
Pupil transportation	547,885	-	-	-	-	-	**547,885**	865,148
Community service	-	-	-	-	-	-	**-**	162,796
Employee benefits	2,177,503	84,873	-	-	160,884	-	**2,423,260**	2,571,117
Debt service								
Principal	577,995	-	-	-	-	-	**577,995**	900,000
Interest	703,205	-	-	-	-	-	**703,205**	435,426
Cost of sales	-	-	-	-	182,990	-	**182,990**	178,474
Capital outlay	-	-	326,585	-	5,392	-	**331,977**	3,073,212
Total expenditures	11,287,268	585,062	326,585	136,891	516,922	3,919	**12,856,647**	16,511,336
Excess revenues (expenditures)	946,192	-	(326,585)	(136,271)	(93,506)	1,479	**391,309**	(3,364,218)
Other financing sources (uses)								
Operating transfers, net	(150,000)	-	440,000	(340,000)	50,000	-	**-**	-
Proceeds from issuance of bonds and related premiums	-	-	4,800,000	476,891	-	-	**5,276,891**	-
BANS redeemed from appropriations	-	-	92,995	-	-	-	**92,995**	-
BAN premiums	-	-	36,110	-	-	-	**36,110**	40,065
Total other financing sources (uses)	(150,000)	-	5,369,105	136,891	50,000	-	**5,405,996**	40,065
Net change in fund balances	796,192	-	5,042,520	620	(43,506)	1,479	**5,797,305**	(3,324,153)
Fund balances (deficit) - beginning	2,423,330	-	(5,065,107)	120,747	74,367	10,948	**(2,435,715)**	888,438
Fund balances (deficit) - ending	$ 3,219,522	$ -	$ (22,587)	$ 121,367	$ 30,861	$ 12,427	**$ 3,361,590**	$ (2,435,715)

See accompanying notes.

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

For the year ended June 30, 2026

Total net change in fund balances - governmental funds		$ 5,797,305
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over estimated useful lives as depreciation and amortization expense. This is the amount by which depreciation and amortization expense and disposals exceed capital outlay.		(491,289)
Pension revenue (expense) is recognized when paid on the statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:		
Current year TRS and ERS contributions	545,032	
Current year ERS accrued contribution	67,528	
Prior year ERS accrued contribution	(50,327)	
Current year TRS pension revenue (expense)	63,506	
Current year ERS pension revenue (expense)	(214,440)	411,299
OPEB revenue (expense) is recognized when paid on the statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.		(82,992)
Payments of long-term liabilities are reported as expenditures in the governmental funds and as a reduction of debt in the statement of net position.		485,000
Debt proceeds including premiums are recorded as other financing sources in governmental funds but increase long-term liabilities in the statement of net position.		(5,276,891)
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, these expenditures are reported when paid. These differences are:		
Amortization of defeasance loss	(19,513)	
Interest	198,500	
Amortization of bond premiums	93,147	
Compensated absences	(246,000)	26,134
Change in net position - governmental activities		$ 868,566

See accompanying notes.

BELFAST CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position - Custodial Fund

June 30, 2026
(With comparative totals as of June 30, 2025)

	2026	2025
Assets		
Cash	**$ 82,837**	$ 73,536
Liabilities		
Due to governmental funds	**336**	668
Net position		
Extraclassroom activity balances	**$ 82,501**	$ 72,868

* * *

BELFAST CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position - Custodial Fund

For the year ended June 30, 2026
(With comparative totals for June 30, 2025)

	2026	2025
Additions		
Real property tax collections for Belfast Public Library	**$ 91,445**	$ -
Student activity additions	**116,256**	97,837
	207,701	97,837
Deductions		
Real property tax distributions for Belfast Public Library	**91,445**	-
Student activity deductions	**106,623**	97,601
	198,068	97,601
Change in net position	**9,633**	236
Net position - beginning	**72,868**	72,632
Net position - ending	**$ 82,501**	$ 72,868

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

Joint Venture

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

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

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

During the year ended June 30, 2026, the District was billed $1,974,000 for BOCES administrative and program costs and recognized revenue of $135,000 as a refund from prior year expenditures paid to BOCES. In addition, BOCES paid the District $15,000 for short-term rental of various classrooms and substitute reimbursements. Audited financial statements are available from BOCES' administrative offices.

Basis of Presentation

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

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

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

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

The District reports the following major funds:

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

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

- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- *Debt service fund.* This fund is used to account for resources that are restricted to expenditure for principal and interest.
- *Food service fund.* This is a special revenue fund whose specific revenue sources, including free and reduced meal subsidies received from state and federal programs, are assigned to the operation of the District's breakfast and lunch programs.
- *Miscellaneous special revenue fund*. This is a special revenue fund used to account for resources that are restricted to student scholarships. Donations are made by third parties and District personnel manage the funds and assist with determination of scholarship recipients.

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

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

Basis of Accounting and Measurement Focus

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within ninety days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset additions are reported as expenditures in governmental funds. Proceeds of long-term liabilities are reported as other financing sources.

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

Subsequent Events

The District has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 13, 2026, the date the financial statements were available to be issued.

Use of Estimates

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

Real Property Taxes

The District levies real property taxes no later than September 1. For the year ended June 30, 2026, the tax lien was issued on July 8, 2025 for collection from September 1, 2025 through October 31, 2025. Thereafter, uncollected amounts for the residents of the towns served by the District became the responsibility of Allegany County and those amounts were submitted to the District by April 1st of the following year as required by law.

Budget Process, Amendments, and Encumbrances

District administration prepares a proposed budget for the general fund requiring approval by the Board. A public hearing is held upon completion and filing of the tentative budget. Subsequently, the budget is adopted by the Board. The proposed budget is then presented to voters of the District. The budget for the fiscal year beginning July 1, 2025 was approved by a majority of the voters in a general election held on May 20, 2025.

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

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

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

Cash and Investments

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

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At June 30, 2026, the District's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institution's agent in the District's name.

Inventory

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

Capital Assets

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

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

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

Bond Defeasances

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

Bond Premiums

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

Compensated Absences

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

Pensions

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

Other Postemployment Benefits (OPEB)

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

Risk Management

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

Equity Classifications

Government-Wide Financial Statements

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

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

Governmental Fund Financial Statements

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

Fund balance is categorized as follows:

Nonspendable:		
Inventory	$	12,783
Restricted:		
Capital		1,039,918
Debt service		121,367
Employee benefit accrued liability		231,789
Retirement contribution		1,092,971
Unemployment insurance		25,338
Workers' compensation		30,469
Repair		53,902
Scholarships		12,427
Assigned:		
Encumbrances		239,041
Food service		18,078
Unassigned		483,507
	$	3,361,590

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

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

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

- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. During 2022, voters approved the creation of capital reserves totaling $1,000,000, plus interest, which have been fully funded.
- *Debt service* – is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond premiums), and remaining bond proceeds not needed for their original purpose as required by §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.
- *Retirement contribution* – is used to finance retirement contributions payable to TRS and ERS. For TRS, funding is limited to 2% annually of eligible salaries with a maximum reserve of 10% of eligible salaries. At June 30, 2026, the retirement contribution reserve includes $232,232 for TRS and $860,739 for ERS.
- *Unemployment insurance* – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the District has elected to use the benefit reimbursement method.
- *Workers' compensation* – is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this program.
- *Repair* – is used to accumulate funds to finance costs of major repairs to capital improvements or equipment and requires a public hearing prior to its use.

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

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

Interfund Balances

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

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

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

2. Stewardship and Compliance

The capital projects deficit fund balance of $22,587 will be funded by a transfer from the general fund.

3. Interfund Transactions – Fund Financial Statements

			Transfers	
Fund	Receivable	Payable	In	Out
Governmental funds:				
General	$ 107,221	$ -	$ -	$ 150,000
Special aid	881,771	975,263	-	-
Capital projects	484,865	515,844	440,000	-
Debt service	157,406	60,992	-	340,000
Food service	412,377	491,873	50,000	-
Miscellaneous special revenue	668	-	-	-
Fiduciary funds:				
Custodial	-	336	-	-
	$ 2,044,308	$ 2,044,308	$ 490,000	$ 490,000

The District's general fund provides cash flow to other funds. Amounts are typically repaid in the subsequent year when funds are available. The general fund made permanent transfers to the capital projects fund for the District's local share of capital projects and to the food service fund for annual operating costs. The debt service fund made a transfer to the capital project to payoff the remaining balance on the outstanding bond anticipation notes (BANs).

4. Capital Assets

	July 1, 2025	Increases	Retirements/ Reclassifications	June 30, 2026
Non-depreciable and non-amortizable capital assets:				
Land	$ 56,901	$ -	$ -	$ 56,901
Construction in progress	4,899,321	326,585	-	5,225,906
Total non-depreciable and non-amortizable assets	4,956,222	326,585	-	5,282,807
Depreciable capital assets:				
Buildings and improvements	28,586,919	-	-	28,586,919
Equipment	2,408,951	-	-	2,408,951
Vehicles	1,301,076	99,994	-	1,401,070
Total depreciable assets	32,296,946	99,994	-	32,396,940
Accumulated depreciation:				
Buildings and improvements	(9,808,984)	(656,073)	-	(10,465,057)
Equipment	(1,252,287)	(118,788)	-	(1,371,075)
Vehicles	(703,298)	(129,734)	-	(833,032)
Total accumulated depreciation	(11,764,569)	(904,595)	-	(12,669,164)
Total depreciable assets, net	20,532,377	(804,601)	-	19,727,776
Right-to-use lease assets:				
Equipment	632,854	120,668	(193,060)	560,462
Accumulated amortization	(279,442)	(95,337)	154,456	(220,323)
Total right-to-use assets, net	353,412	25,331	(38,604)	340,139
	$ 25,842,011	$ (452,685)	$ (38,604)	$ 25,350,722

Depreciation and amortization expense have been allocated to the following functions: general support $139,463, instruction $730,735, and pupil transportation $129,734.

As of June 30, 2026, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation and amortization	$ 25,350,722
Defeasance loss	125,140
Energy performance contract	(235,000)
Bonds and related premiums	(11,670,321)
	$ 13,570,541

5. Short-Term Debt

Bond anticipation notes (BANs) outstanding at June 30, 2025 amounted to $5,287,995, carried interest of 4.5%, and matured in August 2025 when the District issued BANs of $5,232,995, which carried interest of 4.0%, and matured in June 2026. At the time of maturity, $92,995 of the outstanding BANs had been redeemed from appropriations, $4,800,000 was converted to a bond, and the bond premium of $340,000 used to pay off the remainder of the BANs.

6. Long-Term Liabilities

	July 1, 2025	Increases	Decreases	June 30, 2026	Amount Due in One Year
Energy performance contract	$ 270,000	$ -	$ 35,000	$ 235,000	$ 35,000
Bonds	6,010,000	4,800,000	450,000	10,360,000	700,000
Bond premiums	926,577	476,891	93,147	1,310,321	-
Compensated absences	597,000	246,000	-	843,000	202,000
	$ 7,803,577	$ 5,522,891	$ 578,147	$ 12,748,321	$ 937,000

Existing Obligations

Description	Maturity	Rate	Balance
Energy performance contract	September 2031	3.0%	$ 235,000
2017 DASNY refunding bond	June 2039	2.0%-5.0%	1,485,000
2020 DASNY bond	June 2033	5.0%	315,000
2021 DASNY bond	June 2036	4.0%-5.0%	2,910,000
2023 DASNY bond	June 2034	5.0%	850,000
2026 DASNY bond	June 2040	5.0%	4,800,000
			$ 10,595,000

Debt Service Requirements

	Energy Performance Contract		Bonds	
Years ending June 30,	Principal	Interest	Principal	Interest
2027	$ 35,000	$ 7,053	$ 700,000	$ 559,169
2028	35,000	6,002	790,000	454,169
2029	40,000	4,952	825,000	414,669
2030	40,000	3,751	870,000	373,419
2031	40,000	2,551	900,000	329,919
2032-2036	45,000	1,351	4,300,000	1,010,095
2037-2040	-	-	1,975,000	217,514
	$ 235,000	$ 25,660	$ 10,360,000	$ 3,358,954

7. Pension Plans

Plan Descriptions

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

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

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

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 9.59% for 2026. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2026, these rates ranged from 12.9% - 19.6%.

The amount outstanding and payable to TRS for the year ended June 30, 2026 was $345,160. A liability to ERS of $67,528 is accrued based on the District's legally required contribution for employee services rendered from April 1 through June 30, 2026.

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

At June 30, 2026, the District reported an asset of $1,032,171 for its proportionate share of the TRS net pension position and a liability of $185,631 for its proportionate share of the ERS net pension position.

The TRS total pension liability at the June 30, 2025 measurement date was determined by an actuarial valuation as of June 30, 2024, with update procedures applied to roll forward the total pension liability to June 30, 2025. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2025, the District's proportion was 0.017432%, an increase of 0.000596 from its proportion measured as of June 30, 2024.

The ERS total pension liability at the March 31, 2026 measurement date was determined by an actuarial valuation as of April 1, 2025, with update procedures applied to roll forward the total pension liability to March 31, 2026. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At March 31, 2026, the District's proportion was 0.0032903%, a decrease of 0.0001401 from its proportion measured as of March 31, 2025.

For the year ended June 30, 2026 the District recognized net pension expense of $150,934 on the government-wide financial statements (TRS income of $63,506 and ERS expense of $214,440). At June 30, 2026, the District reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 541,088	$ -	$ 106,229	$ -
Changes of assumptions	408,605	(11,129)	31,865	-
Net difference between projected and actual earnings on pension plan investments	-	(806,123)	-	(332,846)
Changes in proportion and differences between contributions and proportionate share of contributions	1,378	(45,729)	45,296	(30,324)
District contributions subsequent to the measurement date	345,160	-	67,528	-
	$ 1,296,231	$ (862,981)	$ 250,918	$ (363,170)

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

Years ending June 30,	TRS	ERS
2027	$ 511,777	$ 81,471
2028	(230,974)	(116,077)
2029	(242,190)	(71,044)
2030	(54,164)	(74,130)
2031	85,659	-
Thereafter	17,982	-
	$ 88,090	$ (179,780)

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2024 valuation, with update procedures used to roll forward the total pension liability to June 30, 2025, were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. These assumptions are:

Inflation – 2.5%
Salary increases – Based on TRS member experience, dependent on service, ranging from 2.04%-5.80%
Projected Cost of Living Adjustments (COLA) – 1.4% compounded annually
Investment rate of return – 6.95% compounded annually, net of investment expense, including inflation
Mortality – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis
Discount rate – 6.95%

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

For ERS, the actuarial assumptions used in the April 1, 2025 valuation, with update procedures used to roll forward the total pension liability to March 31, 2026, were based on the results of an actuarial experience study for the period April 1, 2020 to March 31, 2025. These assumptions are:

Inflation – 2.9%
Salary increases – 5.2%
COLA – 1.5% annually
Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation
Mortality – Society of Actuaries' Scale MP-2021
Discount rate – 5.9%

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

Investment Asset Allocation

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

	TRS		ERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33%	6.7%	25%	3.3%
Global and international equities	19%	7.0%-7.4%	14%	5.9%
Private equities	9%	9.8%	15%	7.0%
Real estate equities	11%	6.5%	12%	5.2%
Domestic fixed income securities	16%	2.6%	22%	1.8%
Global and high-yield bonds	3%	2.4%-4.7%	-	-
Cash and cash equivalents	1%	0.6%	1%	0.3%
Other	8%	3.8%-6.1%	11%	5.1%-5.5%
	100%		100%	

Discount Rate

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

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

	1.0% Decrease	At Current Discount Rate	1.0% Increase
District's proportionate share of the TRS net pension asset (liability)	$ (1,983,331)	$ 1,032,171	$ 3,569,559
District's proportionate share of the ERS net pension asset (liability)	$ (1,267,806)	$ (185,631)	$ 719,116

8. OPEB

Plan Description

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

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

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

Total OPEB Liability

The District's total OPEB liability of $1,080,608 was measured as of July 1, 2024 and was determined by an actuarial valuation as of July 1, 2024, rolled forward through an interim valuation to June 30, 2025.

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

Healthcare cost trend rates – based on a combination of employer history, national trend surveys, and professional judgment, initially 8.5% decreasing to an ultimate rate of 4.5% after 2042
Salary increases – 3.3% – 8.8% for ERS and 1.84% – 12.31% for TRS
Mortality – SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
Discount rate – 5.20% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date
Inflation rate – 2.5%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2025	$ (972,773)
Changes for the year:	
Service cost	(65,320)
Interest	(42,951)
Changes of benefit terms	-
Differences between expected and actual experience	55,202
Changes of assumptions or other inputs	(90,879)
Benefit payments	36,113
Net changes	(107,835)
Balance at June 30, 2026	$ (1,080,608)

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

	1.0% Decrease (4.20%)	Discount Rate (5.20%)	1.0% Increase (6.20%)
Total OPEB liability	$ (1,165,240)	$ (1,080,608)	$ (1,002,616)

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

	1.0% Decrease (7.5% to 3.5%)	Healthcare Cost Trend Rate (8.5% to 4.5%)	1.0% Increase (9.5% to 5.5%)
Total OPEB liability	$ (967,765)	$ (1,080,608)	$ (1,212,439)

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

For the year ended June 30, 2026, the District recognized OPEB expense of $130,786. At June 30, 2026, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 155,835	$ (89,054)
Changes of assumptions or other inputs	128,847	(11,288)
Benefit payments subsequent to the measurement date	47,794	-
	$ 332,476	$ (100,342)

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

Years ending June 30,	
2027	$ 24,228
2028	26,491
2029	24,030
2030	24,670
2031	30,218
Thereafter	54,703
	$ 184,340

9. Risk Management

General Liability

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

Workers' Compensation

The District participates in the Allegany Cattaraugus Schools Workers' Compensation Plan (the Plan) sponsored by Cattaraugus-Allegany-Erie-Wyoming BOCES. The Plan administers a workers' compensation insurance fund pursuant to Article 5 of the Workers' Compensation Law to finance the liability and risk related to workers' compensation claims and to lower the costs of coverage to the participating members. The Plan includes 23 school districts and the BOCES unit as of June 30, 2025 (the most recent information available).

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

The Plan information for the year ended June 30, 2025 is included in the financial statements of Cattaraugus-Allegany-Erie-Wyoming BOCES, which can be obtained from Cattaraugus-Allegany-Erie-Wyoming BOCES, 1825 Windfall Road, Olean, New York 14760.

Health Insurance

The District participates in the Allegany-Cattaraugus Schools Medical Health Plan (the Plan), sponsored by Cattaraugus-Allegany-Erie-Wyoming BOCES. The Plan has been established to administer a health insurance program to lower the costs of such coverage to the 22 participating members and the BOCES unit as of June 30, 2025 (the most recent information available).

The District has transferred partial risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Plan members could be subjected, however, to pro-rata supplemental assessments in the event that the Plan's assets are not adequate to meet claims. No such assessments were required in 2025 and 2026.

The Plan has published its own financial report for the year ended June 30, 2025, which can be obtained from Cattaraugus-Allegany-Erie-Wyoming BOCES, 1825 Windfall Road, Olean, New York 14760.

10. Commitments and Contingencies

Grants

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

Construction Commitments

The District has entered into contracts with various construction companies for its outstanding capital projects. District voters approved spending up to $5,500,000 for the 2022 capital improvement project and $5,484,000 has been spent through June 30, 2026.

Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund

For the year ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over/(Under)	**Actual (Budgetary Basis)**		Variance with Actual Over/(Under)	
	Original	Final	Original Budget		Encumbrances	Final Budget	
Revenues							
Local sources							
Real property taxes	$ 1,890,213	$ 1,890,213	$ -	**$ 1,814,270**		$ (75,943)	
Real property tax items	291,265	291,265	-	**280,995**		(10,270)	
Charges for services	110,647	110,647	-	**186,212**		75,565	
Use of money and property	18,000	18,000	-	**31,773**		13,773	
Sale of property and compensation for loss	1,550	1,550	-	**84,013**		82,463	
Miscellaneous	148,532	148,532	-	**147,960**		(572)	
State sources	9,545,915	9,545,915	-	**9,666,905**		120,990	
Federal sources	605,038	605,038	-	**21,332**		(583,706)	[1]
Total revenues	12,611,160	12,611,160	-	**12,233,460**		(377,700)	
Expenditures							
General support							
Board of education	26,997	25,518	(1,479)	**23,578**	1,938	(2)	
Central administration	211,669	206,926	(4,743)	**208,270**	165	1,509	
Finance	247,445	243,317	(4,128)	**241,133**	740	(1,444)	
Staff	267,928	248,588	(19,340)	**240,640**	4,861	(3,087)	
Central services	1,187,992	1,202,316	14,324	**1,096,599**	56,320	(49,397)	
Special items	158,415	174,714	16,299	**174,714**	-	-	
Instruction							
Instruction, administration, and improvement	317,201	324,030	6,829	**261,302**	6	(62,722)	
Teaching - regular school	3,258,803	3,233,448	(25,355)	**2,823,609**	19,606	(390,233)	[2]
Programs for children with handicapping conditions	1,178,095	1,096,919	(81,176)	**1,065,122**	9,992	(21,805)	
Occupational education	238,837	233,829	(5,008)	**223,179**	1,188	(9,462)	
Teaching - special schools	42,027	47,241	5,214	**41,438**	-	(5,803)	
Instructional media	413,096	448,979	35,883	**328,486**	2,705	(117,788)	
Pupil services	558,457	605,770	47,313	**552,610**	44,229	(8,931)	
Pupil transportation	674,410	689,777	15,367	**547,885**	69,359	(72,533)	
Employee benefits	2,570,397	2,570,397	-	**2,177,503**	27,932	(364,962)	[3]
Debt service							
Principal	597,995	597,995	-	**577,995**	-	(20,000)	
Interest	696,469	696,469	-	**703,205**	-	6,736	
Total expenditures	12,646,233	12,646,233	-	**11,287,268**	239,041	(1,119,924)	
Excess revenues (expenditures)	(35,073)	(35,073)	-	**946,192**	(239,041)	742,224	
Other financing sources (uses)							
Operating transfers out	(150,000)	(150,000)	-	**(150,000)**		-	
Carryover encumbrances	185,073	185,073	-	**-**		(185,073)	[4]
Total other financing sources (uses)	35,073	35,073	-	**(150,000)**		(185,073)	
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	$ -	**$ 796,192**	$ (239,041)	$ 557,151	

[1] Federal sources revenue was lower than the final budget primarily due to incorrectly including special aid fund revenues in the general fund budget.

[2] Budgeted amount includes teacher salaries that were expended in the special aid fund.

[3] Budgeted amount includes employee benefits that were expended in the special aid fund.

[4] This line is used to reflect the District's anticipated fund balance usage. Actual usage is shown as the District's change in fund balance.

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

As of the measurement date of June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension position	0.017432%	0.016836%	0.016737%	0.016438%	0.015966%	0.015921%	0.016021%	0.016496%	0.016666%	0.017147%
District's proportionate share of the net pension asset (liability)	$ 1,032,171	$ 502,315	$ (191,400)	$ (315,435)	$ 2,766,827	$ (439,949)	$ 416,225	$ 298,299	$ 126,682	$ (183,649)
District's covered payroll	$ 3,422,819	$ 3,214,559	$ 3,091,137	$ 2,912,112	$ 2,710,010	$ 2,785,508	$ 2,674,153	$ 2,687,082	$ 2,641,084	$ 2,645,913
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	30.16%	15.63%	(6.19%)	(10.83%)	102.10%	(15.79%)	15.56%	11.10%	4.80%	(6.94%)
Plan fiduciary net position as a percentage of the total pension liability	103.99%	102.09%	99.17%	98.57%	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%
The following is a summary of changes of assumptions:										
Inflation	2.5%	2.4%	2.4%	2.4%	2.4%	2.2%	2.2%	2.25%	2.5%	2.5%
Salary increases	2.04%-5.80%	1.95%-5.18%	1.95%-5.18%	1.95%-5.18%	1.95%-5.18%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%
Cost of living adjustments	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%
Investment rate of return	6.95%	6.95%	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%
Discount rate	6.95%	6.95%	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014

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

For the years ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 345,160	$ 346,047	$ 313,741	$ 318,078	$ 285,387	$ 258,264	$ 246,796	$ 283,995	$ 263,334	$ 309,535
Contribution in relation to the contractually required contribution	(345,160)	(346,047)	(313,741)	(318,078)	(285,387)	(258,264)	(246,796)	(283,995)	(263,334)	(309,535)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,599,166	$ 3,422,819	$ 3,214,559	$ 3,091,137	$ 2,912,112	$ 2,710,010	$ 2,785,508	$ 2,674,153	$ 2,687,082	$ 2,641,084
Contributions as a percentage of covered payroll	9.59%	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%

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

As of the measurement date of March 31,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net pension position	0.0032903%	0.0034304%	0.0036797%	0.0035333%	0.0032602%	0.0031917%	0.0029151%	0.0025410%	0.0024336%	0.0025679%
District's proportionate share of the net pension asset (liability)	$ (185,631)	$ (588,169)	$ (541,806)	$ (757,675)	$ 266,506	$ (3,178)	$ (771,941)	$ (180,036)	$ (78,544)	$ (241,364)
District's covered payroll	$ 1,313,483	$ 1,271,135	$ 1,336,763	$ 1,160,601	$ 1,059,716	$ 1,008,870	$ 930,212	$ 882,940	$ 835,494	$ 831,866
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(14.13%)	(46.27%)	(40.53%)	(65.28%)	25.15%	(0.32%)	(82.99%)	(20.39%)	(9.40%)	(29.01%)
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
The following is a summary of changes of assumptions:										
Inflation	2.9%	2.9%	2.9%	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%
Salary increases	5.2%	4.3%	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%
Cost of living adjustments	1.5%	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014

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

For the years ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 199,872	$ 180,185	$ 165,955	$ 128,901	$ 162,789	$ 138,104	$ 125,156	$ 120,277	$ 122,247	$ 127,155
Contribution in relation to the contractually required contribution	(199,872)	(180,185)	(165,955)	(128,901)	(162,789)	(138,104)	(125,156)	(120,277)	(122,247)	(127,155)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,313,483	$ 1,271,135	$ 1,336,763	$ 1,160,601	$ 1,059,716	$ 1,008,870	$ 930,212	$ 882,940	$ 835,494	$ 831,866
Contributions as a percentage of covered payroll	15.22%	14.18%	12.41%	11.11%	15.36%	13.69%	13.45%	13.62%	14.63%	15.29%

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

For the years ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability - beginning	$ (972,773)	$ (737,987)	$ (628,976)	$ (637,329)	$ (602,389)	$ (557,305)	$ (552,540)	$ (539,134)	$ (594,372)	$ (566,047)
Changes for the year:										
Service cost	(65,320)	(42,326)	(38,810)	(37,760)	(35,333)	(26,554)	(25,764)	(26,876)	(30,257)	(29,777)
Interest	(42,951)	(31,826)	(27,140)	(14,607)	(16,803)	(20,124)	(21,905)	(19,804)	(17,963)	(16,072)
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	55,202	(186,330)	(16,368)	31,284	24,227	48,331	31,534	(4,766)	60,964	33,449
Changes of assumptions or other inputs	(90,879)	6,077	(35,201)	13,121	(19,180)	(67,963)	(13,409)	18,425	23,465	(47,396)
Benefit payments	36,113	19,619	8,508	16,315	12,149	21,226	24,779	19,615	19,029	31,471
Net change in total OPEB liability	(107,835)	(234,786)	(109,011)	8,353	(34,940)	(45,084)	(4,765)	(13,406)	55,238	(28,325)
Total OPEB liability - ending	$ (1,080,608)	$ (972,773)	$ (737,987)	$ (628,976)	$ (637,329)	$ (602,389)	$ (557,305)	$ (552,540)	$ (539,134)	$ (594,372)
Covered-employee payroll	$ 4,794,875	$ 4,677,927	$ 3,886,235	$ 3,791,449	$ 3,774,852	$ 3,682,782	$ 3,465,825	$ 3,381,293	$ 2,903,204	$ 2,865,947
Total OPEB liability as a percentage of covered-employee payroll	22.54%	20.79%	18.99%	16.59%	16.88%	16.36%	16.08%	16.34%	18.57%	20.74%

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

Differences between expected and actual experience in 2025 are the result of changes in actual premiums and updated healthcare trend rates. Changes in assumptions or other outputs is due to the updated discount ratio.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	8.5%-4.5%	7.5%-4.5%	8.0%-4.5%	7.5%-4.5%	7.5%-4.5%	8.0%-4.5%	7.5%-4.5%	8.0%-4.5%	8.5%-5.0%	9.0%-5.09%
Inflation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	1.3%	1.3%
Salary increases	1.84%-12.31%	1.84%-12.31%	1.84%-12.31%	1.84%-12.31%	1.76%-10.0%	1.76%-10.0%	1.76%-10.0%	1.76%-10.0%	1.76%-10.0%	1.76%-10.0%
Discount rate	5.20%	4.21%	4.13%	4.09%	2.19%	2.66%	3.51%	3.87%	3.56%	2.92%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2015	MP-2015

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

For the year ended June 30, 2026

Original expenditure budget	$ 12,611,160
Encumbrances carried over from prior year	185,073
Revised expenditure budget	$ 12,796,233

* * *

Unrestricted Fund Balance

Assigned	$ 239,041
Unassigned	506,094
	745,135
Encumbrances included in assigned fund balance	(239,041)
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$ 506,094

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

2027 expenditure budget (unaudited)	$ 12,760,000
4% of budget	510,400
Actual percentage of 2027 expenditure budget	4.0%

BELFAST CENTRAL SCHOOL DISTRICT

Supplementary Information
Schedule of Capital Project Expenditures

For the year ended June 30, 2026

Project Title	Original Budget	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance
Capital Improvement Project 2022	$ 5,500,000	$ 5,256,948	$ 226,585	$ 5,483,533	$ 16,467
Capital Outlay Project	100,000	-	100,000	100,000	-
	$ 5,600,000	$ 5,256,948	$ 326,585	$ 5,583,533	$ 16,467

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

The Board of Education
Belfast Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the remaining fund information of Belfast Central School District (the District) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 13, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Lyrnsden & McCormick, LLP

October 13, 2026