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CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

October 5, 2026

The Audit Committee, Board of Education,
and Management
Barker Central School District

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the remaining fund information of Barker Central School District (the District) as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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 may exist that have not been identified.

RECOMMENDATIONS

Excess fund balance in the food service fund

In accordance with Federal and New York State Education Department (NYSED) regulations, fund balance in the school lunch fund should not exceed three months' average operating expenditures, as defined, at any time. NYSED requires the District to submit an excess fund balance spending plan when fund balance exceeds six months' average expenditures. The District experienced an increase of $44,000 in its food service fund balance for the year ended June 30, 2026. Total food service fund balance totals $248,000 at June 30, 2026, which exceeds the three month limit, although it is below the six month limit requiring submission of a spending plan. Allowable uses include improving the quality of food served or purchasing needed supplies, services, or equipment.

PRIOR YEAR RECOMMENDATIONS

Included in our current year procedures is an update of the status of recommendations made in previous audits. Recommendations not mentioned elsewhere are as follows:

Extraclassroom activity funds

During our review of extraclassroom activity records, we noted a small number of instances where cash receipt forms did not contain all required student signatures. These instances were identified during testing of transactions from July 2025, September 2025, October 2025, and January 2026. Supporting documentation for cash disbursements was available and included the required approvals. To further strengthen recordkeeping practices, we encourage the Central Treasurer to continue performing reconciliations between club balances and student ledger records on at least a quarterly basis and to periodically remind advisors and student officers of the importance of obtaining all required signatures on extraclassroom activity documentation.

We have discussed these comments with District personnel and would be pleased to discuss them in further detail, perform any additional studies, or assist you in implementing the recommendations.

This communication is intended solely for the information and use of the District's management, Audit Committee and Board of Education; others within the District; the NYS Education Department Office of Audit Services; and the Office of the NYS Comptroller, Division of Local Government and School Accountability. It is not intended to be, and should not be, used by anyone other than these specified parties.

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

October 5, 2026

The Audit Committee, Board of Education,
and Management
Barker Central School District

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of Barker Central School District (the District) for the year ended June 30, 2026 and have issued our report thereon dated October 5, 2026. Professional standards also require that we advise you of the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 29, 2026, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls and other matters noted during our audit in a separate letter to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you in the engagement letter.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District are included in Note 1 to the financial statements. The District adopted Governmental Accounting Standards Board (GASB) Statements No. 103, *Financial Reporting Model Improvements*, No. 104, *Disclosures of Certain Capital Assets*, and No. 105, *Subsequent Events*, during 2026. Other than the adoption of these standards, no new accounting policies were adopted and the application of existing policies was not changed. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Audit Risk Items

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive and significant accounting estimates and audit risk items affecting the financial statements and our audit include:

- Recognition of capital assets at historical or estimated historical cost within established threshold values and the consistent application of depreciable lives and methods
- Accrual of compensated absences (vacation and sick pay liabilities), other postemployment benefits (OPEB), and net pension position and their related disclosures
- Reserves established, funded, and reported in the general fund as restricted fund balance
- Pensions, other postemployment benefits (OPEB), and related footnote disclosures

Management's estimates of the above are based on management's knowledge and experience about past and current events and assumptions about future events. We evaluated the key factors and assumptions used to develop the estimates above and determined they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures are particularly important because of their significance to financial statement users. The most important disclosures affecting the financial statements are reflected in Note 7 – Long-Term Liabilities, Note 8 – Pension Plans, and Note 9 – OPEB. These disclosures present the existing long-term obligations of the District, including the actuarially determined net pension position for the State's pension plans and the actuarial accrued liability for the District's OPEB. We evaluated all disclosures in relation to the financial statements as a whole and determined that they are reasonable.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements and has acknowledged and has taken responsibility for all adjustments required to convert the fund basis financial statements to the government-wide basis.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditors' Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' report. There were no modifications to the audit opinion.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated consistent with the financial statement audit report date.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the District, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

We applied certain limited procedures to management's discussion and analysis and other required supplementary information (RSI) regarding pensions, OPEB, and the budgetary comparison schedule. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information which accompanies the financial statements and is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with GAAP and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the information and use of the District's Board of Education and management of the District. It is not intended to be, and should not be, used by anyone other than these specified parties.

Lemmden & McCormick, LLP

BARKER CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2026

BARKER CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Barker 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 Barker 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 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 5, 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.

Lemmden & McCormick, LLP

October 5, 2026

Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) of Barker 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 as part of the District's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to 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; and (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	$ 11,664,000	$ 14,477,000	$ (2,813,000)	(19.4%)
Capital assets	42,004,000	36,084,000	5,920,000	16.4%
Total assets	53,668,000	50,561,000	3,107,000	6.1%
Deferred outflows of resources	3,052,000	3,008,000	44,000	1.5%
Long-term liabilities	34,218,000	15,757,000	18,461,000	117.2%
Other liabilities	2,296,000	19,058,000	(16,762,000)	(88.0%)
Total liabilities	36,514,000	34,815,000	1,699,000	4.9%
Deferred inflows of resources	3,058,000	2,342,000	716,000	30.6%
Net position				
Net investment in capital assets	19,178,000	19,803,000	(625,000)	(3.2%)
Restricted	9,366,000	8,311,000	1,055,000	12.7%
Unrestricted (deficit)	(11,396,000)	(11,702,000)	306,000	(2.6%)
Total net position	$ 17,148,000	$ 16,412,000	$ 736,000	4.5%

Net position at June 30, 2026 and 2025 was $17,148,000 and 16,412,000, respectively. The largest portion of the District's net position is its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment, less outstanding debt used to acquire 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 scholarships donated for the benefit of students, the District's proportionate share of the New York State Teachers' Retirement System (TRS) net pension asset, and reserves set aside for specific purposes governed by statutory law and regulations. Such reserves include the capital reserve, which is set aside to pay for future buses, facilities, technology, and equipment purchases as approved by the District's voters; an employee benefit accrued liability reserve, which is restricted to pay for future accumulated sick and vacation time; the retirement contribution reserve, which can be used to fund required District contributions to the New York State and Local Employees' Retirement System (ERS); and other reserves for unemployment insurance and property loss and liability.

Total assets increased by $3,107,000 or 6.1% in 2026 (increase of $16,370,000 or 47.9% in 2025). Capital assets increased $5,920,000 (increase of $13,522,000 or 59.9% in 2025) as ongoing capital project activity and other additions exceeded current year depreciation and amortization expense. Current and other assets decreased by $2,813,000 (increase of $2,848,000 or 24.5% in 2025), primarily due to a $5,884,000 decrease in cash and investments as capital project funds were expended during the year. This decrease was partially offset by increases in the District's proportionate share of the TRS net pension asset of $1,066,000 and state and federal aid and other receivables of $1,912,000.

Total liabilities increased $1,699,000 or 4.9% in 2026 (increase of $19,679,000 or 130.0% in 2025). The District financed capital projects by issuing bonds and related premiums totaling $19,174,000. This financing resulted in a significant shift from short-term to long-term obligations, as $15,800,000 of outstanding BANs were redeemed. Consequently, other liabilities decreased by $16,762,000 (increase of $15,774,000 or 480.3% in 2025) while long-term liabilities increased by $18,461,000 (increase of $3,905,000 or 32.9% in 2025). The overall increase in liabilities was moderated by decreases in compensated absences, ERS net pension liability, and total OPEB liability.

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 in assumptions.

Condensed Statement of Activities	2026	2025	Change $	Change %
Revenues				
Program revenues				
Charges for services	**$ 104,000**	$ 184,000	$ (80,000)	(43.5%)
Operating grants and contributions	**1,416,000**	1,613,000	(197,000)	(12.2%)
General revenues				
Real property taxes and related items	**6,645,000**	6,853,000	(208,000)	(3.0%)
State aid	**14,077,000**	12,359,000	1,718,000	13.9%
Miscellaneous	**960,000**	1,370,000	(410,000)	(29.9%)
Total revenue	**23,202,000**	22,379,000	823,000	3.7%
Expenses				
Instruction	**16,307,000**	19,946,000	(3,639,000)	(18.2%)
Support services				
General support	**3,037,000**	3,169,000	(132,000)	(4.2%)
Pupil transportation	**1,592,000**	1,493,000	99,000	6.6%
Food service	**579,000**	550,000	29,000	5.3%
Interest and other	**951,000**	622,000	329,000	52.9%
Total expenses	**22,466,000**	25,780,000	(3,314,000)	(12.9%)
Change in net position	736,000	(3,401,000)	4,137,000	(121.6%)
Net position – beginning	**16,412,000**	19,813,000	(3,401,000)	(17.2%)
Net position – ending	**$ 17,148,000**	$ 16,412,000	$ 736,000	4.5%

District revenues increased $823,000 or 3.7% in 2026 (increase of $191,000 or 0.9% in 2025). State aid increased $1,718,000, (increase of $827,000 or 7.2% in 2025) primarily due to increases in building aid and excess cost aid. These increases were partially offset by lower operating grants and contributions of $197,000 (decrease of $1,079,000 or 40.1% in 2025) as federal pandemic-related funding phased out. The decrease included reductions in American Rescue Plan Act funding of $164,000.

Total expenses decreased $3,314,000 or 12.9% (increase of $4,792,000 or 22.8% in 2025). The decrease was driven primarily by changes in actuarially determined employee benefit obligations, including compensated absences, pension, and OPEB that collectively decreased $3,653,000. These reductions lowered overall expenses across governmental activities. The decline in expenses was partially offset by a $329,000 increase in interest and other expenses resulting from higher interest costs associated with the District's capital project financing.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds increased from a deficit of $5,089,000 to $7,281,000 as described below:

- On an overall basis, revenues and other financing sources of $43,339,000 exceeded expenditures of $30,969,000 resulting in the increase of $12,371,000.
- Total fund revenue increased $709,000 or 3.2% (decrease of $60,000 or 0.3% in 2025) and total fund expenditures decreased $4,863,000 or 13.6% (increase of $10,313,000 or 40.4% in 2025). The increase in state sources was partially offset by the decrease in federal sources as previously mentioned. The decrease in expenditures is due to a decrease in capital outlays of $7,482,000 following the completion of significant phases of the District's capital improvement program.
- The general fund experienced a decrease in fund balance of $142,000 during 2026 compared to an $453,000 increase in 2025, which was the result of increases in capital related interest expenditures discussed previously.
- The capital projects fund experienced an increase in fund balance of $12,464,000 during 2026. The increase resulted primarily from the permanent financing of previously issued BANs, which generated financing sources in excess of current-year capital expenditures. Capital outlay expenditures decreased to $7,042,000 from $14,489,000 in the prior year as capital project activity slowed following completion of significant project phases.
- The food service fund increased $44,000 in 2026 compared to an increase of $42,000 in 2025.

Capital Assets

	2026	2025
Land and land improvements	$ 1,123,000	$ 1,123,000
Buildings and improvements	63,252,000	48,991,000
Furniture and equipment	3,819,000	3,784,000
Vehicles	147,000	147,000
Construction in progress	1,521,000	8,865,000
	69,862,000	62,910,000
Accumulated depreciation	(28,264,000)	(27,179,000)
	41,598,000	35,731,000
Right-to-use leased equipment, net	406,000	353,000
	$ 42,004,000	$ 36,084,000

The increase in capital assets is a result of current year additions of $7,224,000 offset by depreciation and amortization expense and disposals of $1,304,000.

Long-Term Financing

At June 30, 2026 the District had $20,737,000 in outstanding debt with $1,181,000 due within one year ($2,236,000 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, or 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 2026-2027 budget increased to $22,917,000, an increase of 441,000 or 1.96%. The increase is primarily expected to be funded from increases in State aid of $278,000 and the real property tax levy of $151,000 or 2.85%. The District has remained within the tax cap for the past 10 years. See the District's budget newsletter and 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 our 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 funds it receives. If you have questions about this report or need additional financial information, contact the District Office, Barker Central School District, 1628 Quaker Road, Barker, New York 14012.

Statement of Net Position

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

	2026	2025
Assets		
Cash	**$ 4,857,921**	$ 2,601,552
Investments	**1,483,301**	9,623,459
Due from other governments	**609,505**	514,670
State and federal aid and other receivables	**2,543,842**	631,634
Due from fiduciary fund	**2,323**	2,000
Inventory and prepaid expenses	**23,545**	27,061
Net pension asset	**2,142,944**	1,076,843
Capital assets (Note 5)	**70,472,856**	63,378,021
Accumulated depreciation and amortization	**(28,468,742)**	(27,294,117)
Total assets	**53,667,495**	50,561,123
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	**2,906,845**	2,917,375
Deferred outflows of resources related to OPEB	**145,691**	90,554
Total deferred outflows of resources	**3,052,536**	3,007,929
Liabilities		
Accounts payable	**1,382,481**	1,761,363
Accrued liabilities	**139,030**	692,703
Due to retirement systems	**773,421**	804,514
Unearned revenue	**1,113**	-
Bond anticipation notes	**-**	15,800,000
Long-term liabilities		
Due within one year:		
Bonds	**1,105,000**	90,000
Energy performance contract	**76,199**	74,188
Compensated absences	**331,000**	345,000
Due beyond one year:		
Bonds and related premiums	**19,178,811**	1,110,000
Energy performance contract	**885,349**	961,548
Compensated absences	**1,322,000**	1,380,000
Net pension liability	**207,935**	642,324
Total OPEB liability	**11,112,112**	11,153,449
Total liabilities	**36,514,451**	34,815,089
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	**2,097,835**	1,343,075
Deferred inflows of resources related to OPEB	**960,170**	998,448
Total deferred inflows of resources	**3,058,005**	2,341,523
Net Position		
Net investment in capital assets	**19,177,522**	19,803,020
Restricted	**9,366,233**	8,311,358
Unrestricted (deficit)	**(11,396,180)**	(11,701,938)
Total net position	**$ 17,147,575**	$ 16,412,440

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	$ 3,036,523	$ 1,150	$ -	**$ (3,035,373)**	$ (3,168,794)
Instruction	16,307,004	8,519	887,828	**(15,410,657)**	(18,782,413)
Pupil transportation	1,591,986	-	-	**(1,591,986)**	(1,492,570)
Community service	40,621	-	-	**(40,621)**	(13,343)
Interest expense	910,855	-	-	**(910,855)**	(609,156)
School food service	578,627	93,761	527,906	**43,040**	83,457
	$ 22,465,616	$ 103,430	$ 1,415,734	**(20,946,452)**	(23,982,819)
	General revenues				
	Real property taxes and tax items			**6,645,054**	6,852,816
	State aid			**14,076,505**	12,359,421
	Miscellaneous			**960,028**	1,370,157
	Total general revenues			**21,681,587**	20,582,394
	Change in net position			**735,135**	(3,400,425)
	Net position - beginning			**16,412,440**	19,812,865
	Net position - ending			**$ 17,147,575**	$ 16,412,440

See accompanying notes.

Balance Sheet - Governmental Funds

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

	General	Capital Projects	Special Aid	Food Service	Miscellaneous Special Revenue	Total Governmental Funds 2026	Total Governmental Funds 2025
Assets							
Cash	$ 4,770,234	$ 11,815	$ 1,619	$ 10,294	$ 63,959	**$ 4,857,921**	$ 2,601,552
Investments	1,483,184	117	-	-	-	**1,483,301**	9,623,459
Due from other governments	609,505	-	-	-	-	**609,505**	514,670
State and federal aid and other receivables	1,876,658	-	602,010	65,174	-	**2,543,842**	631,634
Due from other funds, net	1,272,540	-	-	178,278	13,935	**1,464,753**	1,124,672
Inventory and prepaid expenses	15,629	-	-	7,916	-	**23,545**	27,061
Total assets	$ 10,027,750	$ 11,932	$ 603,629	$ 261,662	77,894	**$ 10,982,867**	$ 14,523,048
Liabilities							
Accounts payable	$ 653,682	$ 728,278	$ -	$ 421	$ 100	**$ 1,382,481**	$ 1,761,363
Accrued liabilities	61,320	-	6,086	13,012	1,612	**82,030**	123,703
Due to retirement systems	773,421	-	-	-	-	**773,421**	804,514
Unearned revenue	1,113	-	-	-	-	**1,113**	-
Due to other funds, net	-	864,887	597,543	-	-	**1,462,430**	1,122,672
Bond anticipation notes	-	-	-	-	-	**-**	15,800,000
Total liabilities	1,489,536	1,593,165	603,629	13,433	1,712	**3,701,475**	19,612,252
Fund Balances							
Nonspendable	15,629	-	-	7,916	-	**23,545**	27,061
Restricted	7,147,107	-	-	-	76,182	**7,223,289**	7,234,515
Assigned	464,595	-	-	240,313	-	**704,908**	1,200,324
Unassigned (deficit)	910,883	(1,581,233)	-	-	-	**(670,350)**	(13,551,104)
Total fund balances (deficit)	8,538,214	(1,581,233)	-	248,229	76,182	**7,281,392**	(5,089,204)
Total liabilities and fund balances	$ 10,027,750	$ 11,932	$ 603,629	$ 261,662	$ 77,894	**$ 10,982,867**	$ 14,523,048

See accompanying notes.

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

June 30, 2026

Total fund balances - governmental funds		$ 7,281,392
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.		42,004,114
The District's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized on the government-wide financial statements and include:		
Net pension asset	2,142,944	
Deferred outflows of resources related to pensions	2,906,845	
Net pension liability	(207,935)	
Deferred inflows of resources related to pensions	(2,097,835)	2,744,019
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized on the government-wide financial statements and include:		
Deferred outflows of resources related to OPEB	145,691	
Total OPEB liability	(11,112,112)	
Deferred inflows of resources related to OPEB	(960,170)	(11,926,591)
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Accrued interest	(57,000)	
Bonds and related premiums	(20,283,811)	
Energy performance contract	(961,548)	
Compensated absences	(1,653,000)	(22,955,359)
Net position - governmental activities		$ 17,147,575

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	Capital Projects	Special Aid	Food Service	Miscellaneous Special Revenue	Total Governmental Funds 2026	Total Governmental Funds 2025
Revenues							
Real property taxes	$ 4,743,297	$ -	$ -	$ -	$ -	**$ 4,743,297**	$ 4,580,651
Real property tax items	1,901,757	-	-	-	-	**1,901,757**	2,272,165
Charges for services	8,519	-	-	-	-	**8,519**	54,612
Use of money and property	346,936	-	-	299	1,413	**348,648**	651,448
Sale of property and compensation for loss	1,739	-	-	-	-	**1,739**	1,748
Miscellaneous	502,387	-	-	195	4,549	**507,131**	244,864
State sources	14,076,505	-	403,589	161,892	-	**14,641,986**	12,920,315
Federal sources	71,295	-	412,944	366,014	-	**850,253**	1,551,259
Sales	-	-	-	93,761	-	**93,761**	110,658
Total revenues	21,652,435	-	816,533	622,161	5,962	**23,097,091**	22,387,720
Expenditures							
General support	2,738,976	-	-	188,581	1,146	**2,928,703**	2,656,491
Instruction	11,760,794	-	842,743	-	-	**12,603,537**	12,676,913
Pupil transportation	1,575,298	-	16,688	-	-	**1,591,986**	1,492,570
Community service	27,746	-	-	-	-	**27,746**	7,761
Employee benefits	3,958,652	-	-	96,503	-	**4,055,155**	3,990,843
Debt service							
Principal	1,004,188	-	-	-	-	**1,004,188**	157,229
Interest	1,422,855	-	-	-	-	**1,422,855**	48,856
Cost of sales	-	-	-	267,015	-	**267,015**	251,254
Capital outlay	-	7,041,085	-	26,528	-	**7,067,613**	14,549,535
Total expenditures	22,488,509	7,041,085	859,431	578,627	1,146	**30,968,798**	35,831,452
Excess revenues (expenditures)	(836,074)	(7,041,085)	(42,898)	43,534	4,816	**(7,871,707)**	(13,443,732)
Other financing sources (uses)							
Operating transfers, net	(42,898)	-	42,898	-	-	**-**	-
Bond and BAN premium	737,303	-	-	-	-	**737,303**	-
BANs redeemed from appropriation	-	840,000	-	-	-	**840,000**	-
Issuance of serial bonds	-	18,665,000	-	-	-	**18,665,000**	-
Total other financing sources (uses)	694,405	19,505,000	42,898	-	-	**20,242,303**	-
Net change in fund balances	(141,669)	12,463,915	-	43,534	4,816	**12,370,596**	(13,443,732)
Fund balances (deficit) - beginning	8,679,883	(14,045,148)	-	204,695	71,366	**(5,089,204)**	8,354,528
Fund balances (deficit) - ending	$ 8,538,214	$ (1,581,233)	$ -	$ 248,229	$ 76,182	**$ 7,281,392**	$ (5,089,204)

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		$ 12,370,596
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 their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceed depreciation and amortization expense and disposals.		5,920,210
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	857,743	
Current year ERS accrued contribution	60,658	
Prior year ERS accrued contribution	(51,279)	
Current year TRS pension revenue (expense)	91,694	
Current year ERS pension revenue (expense)	(223,616)	735,200
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.		134,752
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.		164,188
Debt proceeds and premiums are recorded as other financing sources in governmental funds but increase long-term liabilities in the statement of net position.		(19,173,811)
In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. These differences are:		
Interest	512,000	
Compensated absences	72,000	584,000
Change in net position - governmental activities		$ 735,135

See accompanying notes.

BARKER 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	**$ 122,119**	$ 109,705
Liabilities		
Accounts payable	**23,227**	9,258
Accrued liabilities	**-**	47
Due to governmental funds	**2,323**	2,000
	25,550	11,305
Net Position		
Extraclass activity balances	**$ 96,569**	$ 98,400

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BARKER 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 Barker Public Library	**$ 108,717**	$ 98,834
Student activity additions	**175,099**	145,247
	283,816	244,081
Deductions		
Real property tax distributed to Barker Public Library	**108,717**	98,834
Student activity deductions	**176,930**	141,135
	285,647	239,969
Change in net position	**(1,831)**	4,112
Net position - beginning	**98,400**	94,288
Net position - ending	**$ 96,569**	$ 98,400

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

Barker 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 13 participating school districts in the Orleans/Niagara 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 also 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 $4,376,000 for BOCES administrative and program costs and recognized revenue of $339,000 as a refund from prior year expenditures paid to BOCES. 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.
- *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.
- *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:

- *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 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 5, 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 August 11, 2025 for collection from September 1, 2025 through October 31, 2025. Thereafter, uncollected amounts became the responsibility of Niagara and Orleans Counties. Such amounts were submitted to the District by April 1st of the following year as required by law.

In 2022, the District was approved funding from the Electric Generation Facility Cessation Mitigation Program (the Program) by Empire State Development. Through the Program, the District received $1,311,196 for the year ended June 30, 2026. The State program will continue to pay a decreasing portion of the Taxpayer's previous real property tax levy through fiscal year 2028 while the District adjusts its budget accordingly.

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 institutions' agents in the District's name.

Inventory and Prepaid Expenses

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. Certain payments to vendors reflect expenditures applicable to future periods and are reflected as prepaid expenses.

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
Land improvements	$ 5,000	20
Buildings and improvements	$ 5,000	20 - 40
Furniture and equipment	$ 5,000	5 - 20
Vehicles	$ 5,000	8 - 15

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 sick and vacation 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 7).

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 8) 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 9) 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 Orleans/Niagara School Health Plan and the Orleans/Niagara Schools Workers' Compensation Plan, which are public entity risk pools. These plans are designed to provide health insurance and workers' compensation coverage for participating entities (Note 10).

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, 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 and prepaid expenses	$	23,545
Restricted:		
Capital		3,964,770
Employee benefit accrued liability		2,320,253
Retirement contribution		483,717
Property loss and liability		366,713
Unemployment insurance		11,654
Scholarships		76,182
Assigned:		
Designated for subsequent year		235,000
Encumbrances		229,595
Food service		240,313
Unassigned (deficit)		(670,350)
	$	7,281,392

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. In 2023, voters approved a reserve with maximum funding of $10,000,000. The reserve has been funded in the amount of $3,606,582 to date, and including interest earned, $3,964,770 is available for use in the general fund at June 30, 2026.
- *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 ERS.
- *Property loss and liability* – is used to pay property loss and liability claims incurred. Separate funds for property loss and liability claims are required. These reserves may not separately exceed 3% of the annual budget.
- *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.

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 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 fund's deficit fund balance of $1,581,233 will be funded when the District obtains permanent financing for its projects.

3. Investments

At June 30, 2026, the District's investments include certificates of deposits with original maturities more than 90 days and amounts held in an external investment pool comprised of U.S. Treasury Securities, repurchase agreements, and deposits held by custodian banks. Investments are recognized at fair value using quoted prices for similar assets and liabilities in active markets. The external investment pool issues its own financial statements which are included in its annual report available at www.newyorkclass.org.

Credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's external investment pool is rated AAAm by S&P Global Ratings.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to limit its exposure, the District's external investment pool limits the maturity date of its investments. The dollar weighted average days to maturity (WAM) at June 30, 2026 is 48 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life of the pool is 77 days.

4. Interfund Transactions – Fund Financial Statements

			Transfers	
Fund	Receivable	Payable	In	Out
Governmental Funds:				
General	$ 1,464,753	$ 192,213	$ -	$ 42,898
Capital projects	-	864,887	-	-
Special aid	-	597,543	42,898	-
Food service	178,278	-	-	-
Miscellaneous special revenue	13,935	-	-	-
Fiduciary Fund:				
Custodial	-	2,323	-	-
	$ 1,656,966	$ 1,656,966	$ 42,898	$ 42,898

The general fund provides cash flow to the various other funds; these amounts will be repaid when funds are received from the State after final expenditure reports have been submitted and approved or when permanent financing is obtained. Investments held in the general fund include amounts for the capital projects fund. The general fund owes the food service fund for reimbursements received in the general fund and not transferred before the end of the year. The general fund made permanent transfers to the special aid fund to cover its share of costs related to various programs.

5. Capital Assets

	July 1, 2025	Increases	Retirements/ Reclassifications	June 30, 2026
Non-depreciable and non-amortizable capital assets:				
Land	$ 104,102	$ -	$ -	$ 104,102
Construction in progress	8,864,921	1,514,687	(8,858,324)	1,521,284
Total non-depreciable and non-amortizable assets	8,969,023	1,514,687	(8,858,324)	1,625,386
Depreciable capital assets:				
Land improvements	1,018,434	-	-	1,018,434
Buildings and improvements	48,991,597	5,526,398	8,733,492	63,251,487
Furniture and equipment	3,783,887	35,560	-	3,819,447
Vehicles	146,842	-	-	146,842
Total depreciable assets	53,940,760	5,561,958	8,733,492	68,236,210
Accumulated depreciation:				
Land improvements	(991,181)	(6,000)	-	(997,181)
Buildings and improvements	(23,060,985)	(903,824)	-	(23,964,809)
Furniture and equipment	(2,986,769)	(170,762)	-	(3,157,531)
Vehicles	(139,880)	(4,516)	-	(144,396)
Total accumulated depreciation	(27,178,815)	(1,085,102)	-	(28,263,917)
Total depreciable assets, net	26,761,945	4,476,856	8,733,492	39,972,293
Right-to-use lease assets:				
Equipment	468,238	147,144	(4,122)	611,260
Accumulated amortization	(115,302)	(93,645)	4,122	(204,825)
Total right-to-use assets, net	352,936	53,499	-	406,435
	$ 36,083,904	$ 6,045,042	$ (124,832)	$ 42,004,114

Depreciation and amortization expense has been allocated to the following functions: general support $102,030, instruction $1,073,365, and community service $3,352.

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

Capital assets, net of accumulated depreciation and amortization	$ 42,004,114
Bonds and related premiums, net of unspent proceeds	(20,271,879)
Capital related accounts payable and other liabilities	(1,593,165)
Energy performance contract	(961,548)
	$ 19,177,522

6. Short-Term Debt

In July 2025, the District issued $20,665,000 of BANs at an interest rate of 4.0%. The BANs were redeemed and financed through the issuance of serial bonds in June 2026. Subsequent to year-end, in July 2026, the District issued BANs of $4,700,000 at 4.0% interest that mature in July 2027.

7. Long-Term Liabilities

	July 1, 2025	Increases	Decreases	June 30, 2026	Amount Due in One Year
Bonds	$ 1,200,000	$ 18,665,000	$ 90,000	$ 19,775,000	$ 1,105,000
Bond premiums	-	508,811	-	508,811	-
Energy performance contract	1,035,736	-	74,188	961,548	76,199
Compensated absences	1,725,000	-	72,000	1,653,000	331,000
	$ 3,960,736	$ 19,173,811	$ 236,188	$ 22,898,359	$ 1,512,199

Existing Obligations

Description	Maturity	Rate	Balance
Serial Bonds – 2021	September 2036	1.57%	$ 1,110,000
Serial Bonds – 2026	June 2041	4.00%	18,665,000
Energy performance contract – 2021	June 2037	2.69%	961,548
			$ 20,736,548

Debt Service Requirements

	Bonds		Energy Performance Contract	
Years ending June 30,	Principal	Interest	Principal	Interest
2027	$ 1,105,000	$ 757,099	$ 76,199	$ 25,381
2028	1,150,000	721,268	78,264	23,315
2029	1,190,000	677,577	80,386	21,194
2030	1,235,000	632,285	82,564	19,015
2031	1,285,000	585,154	84,803	16,777
2032-2036	7,210,000	2,150,956	459,768	48,129
2037-2041	6,600,000	688,864	99,564	2,015
	$ 19,775,000	$ 6,213,203	$ 961,548	$ 155,826

8. 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 12.8%-19.6%.

The amount outstanding and payable to TRS for the year ended June 30, 2026 was $652,628. A liability to ERS of $60,658 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 $2,142,944 for its proportionate share of the TRS net pension position and a liability of $207,935 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 net pension position 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 0.036192%, an increase of 0.0001 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 net pension position 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 0.0036856%, a decrease of 0.0000607 from its proportion measured as of March 31, 2025.

For the year ended June 30, 2026, the District recognized net pension expense of $131,922 on the government-wide financial statements (TRS revenue of $91,694 and ERS expense of $223,616). 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	$ 1,123,380	$ -	$ 118,993	$ -
Changes of assumptions	848,325	(23,104)	35,693	-
Net difference between projected and actual earnings on pension plan investments	-	(1,673,634)	-	(372,838)
Changes in proportion and differences between contributions and proportionate share of contributions	56,153	(9,255)	11,015	(19,004)
District contributions subsequent to the measurement date	652,628	-	60,658	-
	$ 2,680,486	$ (1,705,993)	$ 226,359	$ (391,842)

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	$ 1,113,758	$ 76,241
2028	(439,937)	(135,781)
2029	(476,919)	(81,933)
2030	(100,567)	(84,668)
2031	185,831	-
Thereafter	39,699	-
	$ 321,865	$ (226,141)

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)	$ (4,117,694)	$ 2,142,944	$ 7,410,945
District's proportionate share of the ERS net pension asset (liability)	$ (1,420,136)	$ (207,935)	$ 805,520

9. OPEB

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan) providing for continuation of medical insurance and dental benefits for certain District retirees and spouses. Other employees are permitted coverage through the conversion of sick time; thereby, the District provides an implicit rate subsidy on behalf of eligible employees. Benefit provisions are based on individual contracts with the District, as negotiated from time to time. Eligibility is based on covered employees who retired from the District over the age of 55 and have met vesting requirements. The Plan has no assets, does not issue financial statements, and is not a trust.

At March 31, 2026, employees covered by the Plan include:

Active employees	115
Inactive employees entitled to but not yet receiving benefits	51
	166

Total OPEB Liability

The District's total OPEB liability of $11,112,112 was measured as of March 31, 2026 and was determined by an actuarial valuation as of June 30, 2026.

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 the National Health Expenditure Projections 2017-2033 for short-term rates and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2026 version 1b for long-term rates, initially 6.10% with an ultimate rate of 3.70% after 2075
Salary increases – 3.30%
Mortality – Pub-2016 Public Retirement Plans Mortality Tables, headcount-weighted, employee group, without separate contingent survivor mortality; fully generational using scale MP-2021
Discount rate – 4.41% based on the Fidelity Municipal General Obligation AA 20-Year Bond rate as of the measurement date
Inflation rate – 2.30%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2025	$ (11,153,449)
Changes for the year:	
Service cost	(400,980)
Interest	(481,656)
Changes of benefit terms	117,110
Differences between expected and actual experience	179,164
Changes of assumptions or other inputs	44,934
Benefit payments	582,765
Net changes	41,337
Balance at June 30, 2026	$ (11,112,112)

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

	1.0% Decrease (3.41%)	Discount Rate (4.41%)	1.0% Increase (5.41%)
Total OPEB liability	$ (12,101,729)	$ (11,112,112)	$ (10,232,778)

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 (5.10% to 2.70%)	Healthcare Cost Trend Rate (6.10% to 3.70%)	1.0% Increase (7.10% to 4.70%)
Total OPEB liability	$ (10,138,903)	$ (11,112,112)	$ (12,246,827)

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 $533,915. 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	$ -	$ (640,933)
Changes of assumptions or other inputs	-	(319,237)
Benefit payments subsequent to the measurement date	145,691	-
	$ 145,691	$ (960,170)

Benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year. 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	$ (252,245)
2028	(252,245)
2029	(237,383)
2030	(103,586)
2031	(87,893)
Thereafter	(26,818)
	$ (960,170)

10. 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 coverage in any of the past three years.

Health Insurance

The District participates in the Orleans/Niagara School Health Plan (the Plan). The Plan has been established to administer a health insurance program to lower the costs of such coverage to the nine participating members 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 supplemental assessments have been required in the previous three years.

The Plan has published its own financial report for the year ended June 30, 2025, which can be obtained from Orleans/Niagara BOCES, 4232 Shelby Basin Road, Medina, New York 14103.

Workers' Compensation

The District participates in the Orleans/Niagara Schools Workers' Compensation Plan (the Plan) sponsored by Orleans/Niagara 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 five 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 annual 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 supplemental assessments have been required in the previous three years.

The Plan has published its own financial report for the year ended June 30, 2025, which can be obtained from Orleans/Niagara BOCES, 4232 Shelby Basin Road, Medina, New York 14103.

11. 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 are 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.

Litigation

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

Construction Commitments

The District has entered into contracts with various construction companies for its outstanding capital projects. District voters approved spending up to $14,000,000 for the 2025 capital project and $1,380,000 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) Original Budget	Actual (Budgetary Basis)	Encumbrances	Variance with Actual Over/(Under) Final Budget
	Original	Final				
Revenues						
Local sources						
Real property taxes	$ 4,743,297	$ 4,743,297	$ -	**$ 4,743,297**		$ -
Real property tax items	1,937,594	1,937,594	-	**1,901,757**		(35,837)
Charges for services	43,000	43,000	-	**8,519**		(34,481)
Use of money and property	200,000	200,000	-	**346,936**		146,936
Sale of property and compensation for loss	1,500	1,500	-	**1,739**		239
Miscellaneous	181,500	181,500	-	**502,387**		320,887
State sources	14,244,935	14,244,935	-	**14,076,505**		(168,430)
Federal sources	-	-	-	**71,295**		71,295
Total revenues	21,351,826	21,351,826	-	**21,652,435**		300,609
Expenditures						
General support						
Board of education	31,600	31,600	-	**30,865**	-	(735)
Central administration	241,850	241,850	-	**237,072**	-	(4,778)
Finance	307,350	307,350	-	**391,783**	-	84,433
Staff	94,000	94,000	-	**97,488**	-	3,488
Central services	1,617,054	1,617,054	-	**1,629,208**	54,475	66,629
Special items	386,500	386,500	-	**352,560**	-	(33,940)
Instruction						
Instruction, administration, and improvement	762,500	762,500	-	**727,152**	8,345	(27,003)
Teaching - regular school	5,224,112	5,224,112	-	**5,293,778**	70,230	139,896
Programs for children with handicapping conditions	4,389,014	4,389,014	-	**3,719,459**	40,264	(629,291) [2]
Occupational education	520,000	520,000	-	**526,400**	-	6,400
Teaching - special schools	27,900	27,900	-	**26,421**	217	(1,262)
Instructional media	399,146	399,146	-	**374,833**	29,424	5,111
Pupil services	961,213	961,213	-	**1,092,751**	7,784	139,322
Pupil transportation	1,472,126	1,472,126	-	**1,575,298**	18,856	122,028
Community service	33,600	33,600	-	**27,746**	-	(5,854)
Employee benefits	3,914,357	3,914,357	-	**3,958,652**	-	44,295
Debt service						
Principal	654,188	1,004,188	350,000	**1,004,188**	-	- [1]
Interest	1,318,928	1,422,448	103,520	**1,422,855**	-	407 [1]
Total expenditures	22,355,438	22,808,958	453,520	**22,488,509**	229,595	(90,854)
Excess revenues (expenditures)	(1,003,612)	(1,457,132)	(453,520)	**(836,074)**	(229,595)	391,463
Other financing sources (uses)						
Operating transfers out	(135,000)	(135,000)	-	**(42,898)**	-	(92,102)
Bond and BAN premiums	-	453,520	(453,520)	**737,303**		283,783 [1]
Appropriated fund balance, appropriated reserves, and carryover encumbrances	1,138,612	1,138,612	-	**-**	-	(1,138,612) [3]
Total other financing sources (uses)	1,003,612	1,457,132	(453,520)	**694,405**	-	(762,727)
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	$ (907,040)	**$ (141,669)**	$ (229,595)	$ (371,264)

[1] The District amended the budget during the year to reflect additional BAN premium received in connection with the issuance of bonds.

[2] Actual expenditures were lower than budgeted primarily due to fewer than anticipated out-of-district placements and related costs.

[3] 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	0.036192%	0.036092%	0.035910%	0.035963%	0.037184%	0.038073%	0.039902%	0.039602%	0.040677%	0.042326%
District's proportionate share of the net pension asset (liability)	$ 2,142,944	$ 1,076,843	$ (410,660)	$ (690,093)	$ 6,443,567	$ (1,052,069)	$ 1,036,652	$ 716,108	$ 309,188	$ (453,334)
District's covered payroll	$ 7,106,281	$ 6,891,240	$ 6,632,245	$ 6,370,969	$ 6,311,259	$ 6,462,257	$ 6,658,964	$ 6,450,714	$ 6,446,024	$ 6,531,396
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%	(16.28%)	15.57%	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	$ 652,628	$ 718,445	$ 672,585	$ 682,458	$ 624,355	$ 601,463	$ 572,556	$ 707,182	$ 632,170	$ 755,474
Contribution in relation to the contractually required contribution	(652,628)	(718,445)	(672,585)	(682,458)	(624,355)	(601,463)	(572,556)	(707,182)	(632,170)	(755,474)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,805,297	$ 7,106,281	$ 6,891,240	$ 6,632,245	$ 6,370,969	$ 6,311,259	$ 6,462,257	$ 6,658,964	$ 6,450,714	$ 6,446,024
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	0.0036856%	0.0037463%	0.0038803%	0.0037230%	0.0040296%	0.0038279%	0.0038985%	0.0042650%	0.0047299%	0.0046347%
District's proportionate share of the net pension asset (liability)	$ (207,935)	$ (642,324)	$ (571,339)	$ (798,364)	$ 329,404	$ (3,812)	$ (1,032,242)	$ (302,191)	$ (152,653)	$ (435,482)
District's covered payroll	$ 1,280,077	$ 1,174,657	$ 1,235,977	$ 1,080,804	$ 1,103,106	$ 1,166,085	$ 1,259,667	$ 1,276,580	$ 1,369,690	$ 1,401,461
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(16.24%)	(54.68%)	(46.23%)	(73.87%)	29.86%	(0.33%)	(81.95%)	(23.67%)	(11.15%)	(31.07%)
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	$ 205,115	$ 176,219	$ 160,042	$ 124,292	$ 179,680	$ 174,877	$ 189,104	$ 189,066	$ 203,055	$ 214,000
Contribution in relation to the contractually required contribution	(205,115)	(176,219)	(160,042)	(124,292)	(179,680)	(174,877)	(189,104)	(189,066)	(203,055)	(214,000)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,280,077	$ 1,174,657	$ 1,235,977	$ 1,080,804	$ 1,103,106	$ 1,166,085	$ 1,259,667	$ 1,276,580	$ 1,369,690	$ 1,401,461
Contributions as a percentage of covered payroll	16.02%	15.00%	12.95%	11.50%	16.29%	15.00%	15.01%	14.81%	14.82%	15.27%

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	$ (11,153,449)	$ (3,945,199)	$ (4,033,320)	$ (4,974,434)	$ (4,853,178)	$ (4,567,488)	$ (4,539,419)	$ (2,683,830)	$ (2,667,698)	$ (2,389,453)
Restatements	-	(4,126,000)	-	-	-	-	-	-	-	-
Total OPEB liability - beginning, as restated	(11,153,449)	(8,071,199)	(4,033,320)	(4,974,434)	(4,853,178)	(4,567,488)	(4,539,419)	(2,683,830)	(2,667,698)	(2,389,453)
Changes for the year:										
Service cost	(400,980)	(120,398)	(111,540)	(131,983)	(138,656)	(100,146)	(105,285)	(97,988)	(69,852)	(69,852)
Interest	(481,656)	(152,292)	(149,657)	(139,231)	(109,574)	(112,453)	(155,351)	(154,600)	(78,280)	(78,280)
Changes of benefit terms	117,110	(3,384,453)	-	-	-	(3,597)	-	-	-	-
Differences between expected and actual experience	179,164	204,381	94,935	679,500	(369,658)	272,694	767,459	(1,054)	-	(376,824)
Changes of assumptions or other inputs	44,934	131,356	68,692	346,251	331,841	(475,424)	(663,592)	(1,724,427)	-	124,124
Benefit payments	582,765	239,156	185,691	186,577	164,791	133,236	128,700	122,480	132,000	122,587
Net change in total OPEB liability	41,337	(3,082,250)	88,121	941,114	(121,256)	(285,690)	(28,069)	(1,855,589)	(16,132)	(278,245)
Total OPEB liability - ending	$ (11,112,112)	$ (11,153,449)	$ (3,945,199)	$ (4,033,320)	$ (4,974,434)	$ (4,853,178)	$ (4,567,488)	$ (4,539,419)	$ (2,683,830)	$ (2,667,698)
Covered-employee payroll	$ 7,668,672	$ 7,814,230	$ 7,555,821	$ 7,483,196	$ 8,058,008	$ 7,790,031	$ 7,547,017	$ 7,547,017	$ 6,805,025	$ 6,805,025
Total OPEB liability as a percentage of covered-employee payroll	144.9%	142.7%	52.2%	53.9%	61.7%	62.3%	60.5%	60.1%	39.4%	39.2%

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

Changes of benefit terms in 2025 include post-retirement medical benefits previously reported as compensated absences under GASB Statement No. 16.

The differences between expected and actual experience includes updates to healthcare trends. In 2020, differences between expected and actual experience also include the impact of Congress' repeal of the Affordable Care Act's excise "Cadillac" taxes.

Changes of assumptions in 2019 include retiree claims are assumed to be 10% higher than active claims (previously 0%).

The following is a summary of changes of assumptions:

Healthcare cost trend rates	6.10%-3.70%	5.30%-3.71%	5.10%-3.86%	5.50%-4.00%	6.10%-4.37%	4.00%-4.08%	5.20%-4.18%	5.20%-4.32%	5.30%-4.17%	5.30%-4.17%
Salary increases	3.30%	3.30%	3.42%	3.53%	3.44%	3.11%	3.22%	3.36%	3.31%	3.31%
Discount rate	4.41%	4.39%	3.98%	3.78%	2.83%	2.27%	2.48%	3.44%	3.80%	3.80%
Inflation rate	2.30%	2.30%	2.42%	2.53%	2.44%	2.11%	2.22%	2.36%	2.20%	2.20%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2016	MP-2016

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	$ 22,475,710
Encumbrances carried over from prior year	14,728
BAN premiums	453,520
Revised expenditure budget	$ 22,943,958

* * *

Unrestricted Fund Balance

Assigned	$ 464,595
Unassigned	910,883
	1,375,478
Encumbrances included in assigned fund balance	(229,595)
Appropriated fund balance used for tax levy	(235,000)
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$ 910,883

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

2027 expenditure budget (unaudited)	$ 22,916,892
4% of budget	916,676
Actual percentage of 2027 expenditure budget	4.0%

Supplementary Information
Schedule of Capital Project Expenditures

For the year ended June 30, 2026

Project Title	Original Budget	Revised Budget	Expenditures			Unexpended Balance
			Prior Years	Current Year	Total	
Capital Outlay 2023-2024	$ 100,000	$ 92,108	$ 5,944	$ 66,320	$ 72,264	$ 19,844
Capital Outlay 2024-2025	100,000	100,000	653	68,680	69,333	30,667
Smart Schools Bond Act	596,160	596,160	393,208	-	393,208	202,952
2023 Capital Improvement Project	25,205,000	24,442,735	18,916,337	5,526,398	24,442,735	-
2025 Capital Improvement Project	14,000,000	14,000,000	-	1,379,687	1,379,687	12,620,313
Total	$ 40,001,160	$ 39,231,003	$ 19,316,142	$ 7,041,085	$ 26,357,227	$ 12,873,776

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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
Barker 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 Barker 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 5, 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.

Lemmen & McCormick, LLP

October 5, 2026

BARKER CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY

JUNE 30, 2026

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Barker Central School District

Qualified Opinion

We have audited the accompanying schedule of additions and deductions of Barker Central School District (the District) extraclassroom activity for the year ended June 30, 2026, and the related notes to the schedule.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the schedule referred to in the first paragraph presents fairly, in all material respects, the additions and deductions of the District's extraclassroom activity for the year ended June 30, 2026, in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Qualified Opinion

Certain accounting records of the District's extraclassroom activity accounts were not adequate for us to form an opinion regarding the completeness of additions in the accompanying schedule stated at $175,099.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule 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 qualified audit opinion.

Responsibilities of Management for the Schedule

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

Auditors' Responsibilities for the Audit of the Schedule

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

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

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.

Lyman & McCormick, LLP

October 5, 2026

Schedule of Additions and Deductions

For the year ended June 30, 2026

	July 1, 2025	Additions	Deductions	June 30, 2026
Class Clubs:				
2025	$ 7,565	$ 4,135	$ 11,700	$ -
2026	2,850	28,110	30,671	289
2027	1,341	20,503	15,528	6,316
2028	477	890	786	581
2029	501	2,042	1,058	1,485
2030	-	31,310	30,453	857
2031	-	3,805	2,961	844
American Field Service Club	1,829	1,088	621	2,296
Band Club	5,943	5,064	6,961	4,046
Barker Singers Club	2,812	2,106	2,168	2,750
Baseball Club	390	-	204	186
Boys Basketball Club	3,543	4,220	6,440	1,323
Conservation Club	603	-	-	603
Cross Country Club	3,921	10,384	11,752	2,553
E-Club	2,057	2,001	1,264	2,794
Elementary Musical Club	6,103	-	-	6,103
English A&E Club	169	-	100	69
Field Hockey Club	3,262	2,134	2,605	2,791
Football Club	-	9,538	5,758	3,780
Gay Straight Alliance	2,734	3,176	2,434	3,476
Girls Basketball Club	4,140	1,760	2,729	3,171
Golf Club	145	2,419	2,102	462
High School Musical Club	13,346	15,523	8,896	19,973
International Exchange Club	206	2	-	208
Latrator (Yearbook Club)	17,043	7,921	18,449	6,515
National Honor Society	51	-	-	51
Shop Deluxe Club	4,905	197	186	4,916
Soccer Club	115	-	-	115
Softball Club	385	3,782	317	3,850
Student Council Club - High School	2,814	2,542	583	4,773
Student Council Club - Middle School	3,137	2,687	745	5,079
Swimming Club	218	-	-	218
Tennis Club	374	-	-	374
Track Club	258	446	214	490
Varsity Club	5,163	7,314	9,245	3,232
	$ 98,400	$ 175,099	$ 176,930	$ 96,569

See accompanying notes.

Notes to the Schedule

1. Summary of Significant Accounting Policies

Financial Reporting Entity

Extraclassroom activity accounts are operated by and for the students. Proceeds are voluntarily collected by students and are spent by them, as they deem appropriate under established guidelines. The extraclassroom activity accounts are included in the financial statements of Barker Central School District in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.