EDEN CENTRAL
SCHOOL DISTRICT, NEW YORK

Basic Financial Statements, Required Supplementary Information and Supplementary Information for the Year Ended June 30, 2026 and Independent Auditors' Reports

Drescher & Malecki
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Eden Central School District, New York

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement issuance 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 GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

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

Supplementary 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 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Brecher & Malecki CLA

October 14, 2026

As management of the Eden Central School District (the "District"), we offer readers of the District's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements of the District for the fiscal year ended June 30, 2026, focusing on why amounts changed from the prior year. For comparative purposes, certain data from the prior year has been reclassified to conform with the current year presentation.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include general support, instruction, pupil transportation, community service, school food service, and interest and other fiscal charges. The District does not engage in any business-type activities.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund financial statements—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

> ***Governmental funds***—*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available

at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Debt Service Fund, School Lunch Fund, Special Aid Fund, and Student Activities Fund, all of which are presented as major funds.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the District. 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 own programs. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The District maintains one fiduciary fund, the Private Purpose Trust Fund.

The fiduciary fund statements can be found on pages 18 and 19 of this report.

Notes to the financial statements—The notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The District uses notes to present information in greater detail than is possible within the financial statements themselves, explain the nature of amounts reported in the financial statements and how those amounts were determined, and report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies). The notes to the financial statements can be found on pages 20-45 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's net pension liabilities/(assets), the changes in the District's total other postemployment benefits ("OPEB") obligation, and the District's budgetary comparison schedule for the General Fund. Required Supplementary Information and related notes to the required supplementary information can be found on pages 46-54 of this report.

Supplementary information is presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 55-57.

Financial Summary and Detailed Analysis

As noted earlier, net position over time may serve as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $34,822,467 at June 30, 2026, as compared to $31,409,861, at the close of the year ended June 30, 2025.

Table 1, shown below, presents the District's net position of the District at June 30, 2026 and June 30, 2025.

Table 1—District's Net Position

	June 30,	
	2026	2025
Current and other assets	$ 29,061,632	$ 23,649,086
Capital assets	41,888,881	40,499,913
Total assets	70,950,513	64,148,999
Deferred outflows of resources	6,527,698	6,339,354
Current liabilities	7,411,318	3,118,914
Long-term liabilities outstanding	28,097,029	30,067,118
Total liabilities	35,508,347	33,186,032
Deferred inflows of resources	7,147,394	5,892,460
Net position:		
Net investment in capital assets	21,069,119	16,982,216
Restricted	7,771,849	12,686,069
Unrestricted	5,981,499	1,741,576
Total net position	$ 34,822,467	$ 31,409,861

The largest portion of the District's net position, $21,069,119 reflects its investment in capital assets (e.g. land, buildings, improvements, equipment, and right-to-use leased assets), net of accumulated depreciation/amortization and less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide a variety of services to students. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The next largest portion of the District's net position, $7,771,849, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining balance of the District's net position, $5,981,499, is considered to be unrestricted.

Governmental activities—Current and other assets increased in governmental activities by $5,412,546 from the prior year. Cash and restricted cash increased $4,587,628 from the prior year primarily due to the issuance of bond anticipation note for $3,531,000. Additionally, the net pension asset related to TRS increased $1,822,452 from the prior year.

Current liabilities in governmental activities increased $4,292,404 from the prior year. This is primarily due to the District issuing a bond anticipation note for $3,531,000 during June 2026.

Long-term liabilities, which consist of serial bonds, premium on serial bonds, compensated absences, other postemployment benefits obligation ("OPEB"), and net pension liability, decreased by $1,970,089 from the previous year. The serial bonds decreased $1,860,000 due to scheduled principal payments.

The District's overall net position increased $3,412,606 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections.

Table 2, as presented below, shows the District's changes in net position for the years ended June 30, 2026 and June 30, 2025.

Table 2—District's Changes in Net Position

	Year Ended June 30,	
	2026	2025
Revenues:		
Program revenues:		
Charges for services	$ 695,546	$ 596,273
Operating and capital grants and contributions	2,550,644	2,200,691
General revenues:		
Real property taxes and other tax items	16,557,835	16,108,955
Non-property tax items	2,236,490	2,128,583
Use of money and property	767,621	815,596
Miscellaneous	567,237	1,511,391
State sources—unrestricted	17,031,977	15,101,678
Total revenues	40,407,350	38,463,167
Expenses:		
General support	6,330,719	5,324,369
Instruction	25,543,256	25,477,719
Pupil transportation	3,453,414	3,836,308
School food service	893,846	912,583
Student activities	127,911	120,202
Interest and other fiscal charges	645,598	719,672
Total expenses	36,994,744	36,390,853
Change in net position	3,412,606	2,072,314
Net position—beginning	31,409,861	29,337,547
Net position—ending	$ 34,822,467	$ 31,409,861

Governmental activities—During the current fiscal year, net position for governmental activities increased $3,412,606 from the prior fiscal year for an ending balance of $34,822,467. The increase in the overall net position of governmental activities is primarily due to state aid and operating and capital grants and contributions outpacing the increase in total expenses.

Revenues increased by $1,944,183 from the prior year. The large increase was primarily due to state sources, related to building aid payments during 2025-26.

Expenses increased by $603,891 from the prior year. The most significant increase was $1,006,350 in the general support function due primarily to changes in employee benefits allocations.

Detailed Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District reports six major funds individually on the governmental fund financial statements, the General Fund, the Special Aid Fund, the School Lunch Fund, the Student Activities Fund, the Debt Service Fund and the Capital Projects Fund.

Governmental funds—The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* and *fund balance assigned to specific use* in special revenue funds may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by an external party, the District itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the Board of Education.

As of June 30, 2026, the District's governmental funds reported a combined ending fund balance of $17,990,599, a decrease of $714,588 from the prior year. Excluding the effects of a $1,304,953 fund balance deficit in the Capital Projects Fund, approximately 8.3 percent, or $1,596,841, of this amount constitutes *unassigned fund balance* which is available for spending at the District's discretion. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned*, to indicate that it is: (1) not in spendable form, $304,423, (2) restricted for particular purposes, $13,377,720 or (3) assigned for particular purposes, $4,016,568.

General Fund—The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was $1,596,841, while total fund balance increased to $18,186,620. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 4.4 percent of total General Fund expenditures and transfers out, while total fund balance represents 49.6 percent of that same amount.

The total fund balance of the District's General Fund increased by $860,176 during the current fiscal year. During the annual budget process, the District anticipated utilizing $3,314,016 of fund balance (this included the re-appropriation of prior year's encumbrances and an appropriation (i.e., spenddown) of fund balance). Largely as a result of increased state aid and budgetary savings mainly within employee benefits, the District's General Fund fund balance ended $4,174,192 higher than anticipated.

Special Aid Fund—The Special Aid Fund maintains funds that are received from the State and Federal governments. Total revenues amounted to $1,325,021 and were comprised of State and Federal sources. Expenditures totaled $1,403,270 and were used toward the instruction and transportation of students. During the year ended June 30, 2026, the General Fund transferred $78,249 to the Special Aid Fund to cover additional program costs.

School Lunch Fund—The fund balance within the School Lunch Fund increased by $42,379 during the year ended June 30, 2026, to an ending fund balance of $139,926. Total fund balance assigned for specific School Lunch use is $138,230.

Student Activities Fund—The fund balance within the Student Activities Fund decreased by $26,041 during the year ended June 30, 2026, to an ending fund balance of $132,556. Total fund balance is restricted for extraclassroom activities.

Debt Service Fund—The fund balance within the Debt Service Fund increased by $14,111 during the year ended June 30, 2026, to an ending fund balance of $836,450. This total fund balance amount is classified as restricted fund balance for the future payment of principal and interest.

Capital Projects Fund—The fund balance within the Capital Projects Fund decreased by $1,605,213 during the year ended June 30, 2026, to an ending fund balance deficit of $1,304,953. The District had transfers in from the General Fund in the amount of $1,568,514 and incurred capital outlay expenditures of $3,694,208 during the fiscal year ended June 30, 2026. The Capital Projects Fund additionally had a bond anticipation note outstanding at year end.

Significant Capital Asset and Long-Term Financing Activity

Capital assets—The District's investment in capital assets for its governmental activities as of June 30, 2026, amounted to $41,888,881 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, equipment and vehicles, and right-to-use leased equipment and vehicles. All depreciable/amortizable capital assets were depreciated/amortized from acquisition date to the end of the current year as outlined in the District's capital asset policy. The total increase in capital assets was 3.4 percent.

Capital assets, net of depreciation/amortization for the governmental activities at June 30, 2026 and June 30, 2025 are presented in Table 3 below:

Table 3—The District's Capital Assets (Net of Accumulated Depreciation/Amortization)

	Year Ended June 30,	
	2026	2025
Land	$ 142,997	$ 142,997
Construction in progress	4,606,139	1,011,445
Land improvements	3,119,635	3,431,428
Buildings and improvements	29,983,002	31,802,954
Equipments and vehicles	3,667,873	3,641,812
Intangible assets		
Lease assets - equipment and vehicles	369,235	469,277
Total	$ 41,888,881	$ 40,499,913

Major capital asset events during the current fiscal year included the following:

- Capital projects increasing construction in progress by $3.6 million which are expensed through the Capital Projects Fund
- Purchase of various school buses for $1,184,861
- Depreciation totaling $3,096,457

Leases are intangible, right to use assets. The District does not own these assets, but rather has the right to use them in operations, as specified in their respective contracts. When entering into a lease contract, a liability is also recognized.

Additional information on the District's capital assets is presented in Note 4 to the financial statements.

Long-term financing—At June 30, 2026, the District had total long-term financing liabilities of $21,722,687, composed of serial bonds and premium on serial bonds. During the current year, long-term financing liabilities decreased by $2,057,403.

A summary of the District's long-term liabilities at June 30, 2026 and June 30, 2025 is presented in Table 4 below:

Table 4—Summary of Long-Term Financings

	Year Ended June 30,	
	2026	2025
Serial bonds	$ 20,120,000	$ 21,980,000
Premium on serial bonds	1,602,687	1,800,090
Total	$ 21,722,687	$ 23,780,090

The $20,120,000 million general obligation bonds are bonded debt, backed by the full faith and credit of the government.

The District maintained an "Aa3" rating from Moody's Investor Service.

Additional information on the District's long-term liabilities can be found in Note 10 to the financial statements.

Currently Known Facts, Decisions, or Conditions

The unemployment rate, not seasonally adjusted, for the region at June 30, 2026 was 4.1 percent. This compares to New York State's average unemployment rate of 4.4 percent. These factors, as well as others, are considered in preparing the District's budget.

The 2026-2027 adopted budget appropriations total of $39,921,020 is an approximate decrease of 0.3 percent as compared to the $40,076,769 budgeted appropriations in 2025-2026. The District's total tax levy in 2026-2027 is $16,916,573, compared to $16,500,419 levied during the 2025-2026 year.

Requests for Information

This financial report is designed to provide our community, taxpayers, creditors and investors with a general overview of the District's finances and to show the District's accountability. If you have any questions about this report or need additional financial information, contact Frances May, Assistant Superintendent for Finance and Operations, 8289 N Main St., Eden, New York 14057.

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BASIC FINANCIAL STATEMENTS

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EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Net Position
June 30, 2026

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 3,897,060
Restricted cash and cash equivalents	18,301,899
Receivables	222,587
Intergovernmental receivables	2,583,193
Prepaid items	302,727
Inventories	1,696
Noncurrent net pension asset	3,752,470
Capital assets not being depreciated/amortized	4,749,136
Capital assets, net of accumulated depreciation/amortization	37,139,745
Total assets	70,950,513
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows—relating to pension plans	6,245,334
Deferred outflows—relating to OPEB	282,364
Total deferred outflows of resources	6,527,698
LIABILITIES	
Accounts payable	1,373,466
Accrued liabilities	911,268
Due to retirement systems	1,576,309
Intergovernmental payables	46
Unearned revenue	19,232
Bond anticipation notes payable	3,531,000
Noncurrent liabilities:	
Due within one year	2,333,842
Due within more than one year	25,763,187
Total liabilities	35,508,350
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows—relating to pension plans	4,389,225
Deferred inflows—relating to OPEB	2,758,169
Total deferred inflows of resources	7,147,394
NET POSITION	
Net investment in capital assets	21,069,119
Restricted:	
Unemployment insurance	113,240
Retirement contribution	2,478,015
Tax certiorari	48,547
Employee benefits	1,297,812
Repairs	143,555
Workers' compensation	278,424
Liability claims	322,775
Debt service	135,310
Capital projects	2,821,615
Student activities	132,556
Unrestricted	5,981,499
Total net position	$ 34,822,467

The notes to the financial statements are an integral part of this statement.

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Activities
Year Ended June 30, 2026

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities
Governmental activities:					
General support	$ 6,330,719	$ -	$ 3,817	$ 303,000	$ (6,629,902)
Instruction	25,543,256	528,477	1,416,840	-	(23,597,939)
Pupil transportation	3,453,414	-	-	-	(3,453,414)
School food service	893,846	66,395	826,987	-	(464)
Student activities	127,911	100,674	-	-	(27,237)
Interest and other fiscal charges	645,598	-	-	-	(645,598)
Total primary government	$ 36,994,744	$ 695,546	$ 2,247,644	$ 303,000	(33,748,554)
General revenues:					
Real property taxes and other tax items					16,557,835
Non property tax items					2,236,490
Use of money and property					767,621
Sale of property and compensation for loss					220,135
Miscellaneous					347,102
State sources—unrestricted					17,031,977
Total general revenues					37,161,160
Change in net position					3,412,606
Net position—beginning					31,409,861
Net position—ending					$ 34,822,467

The notes to the financial statements are an integral part of this statement.

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Balance Sheet—Governmental Funds
June 30, 2026

	General	Special Revenue: Special Aid	Special Revenue: School Lunch	Special Revenue: Student Activities	Debt Service	Capital Projects	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 3,872,639	$ -	$ 24,421	$ -	$ -	$ -	$ 3,897,060
Restricted cash and cash equivalents	12,415,039	-	12,907	132,772	836,450	4,904,731	18,301,899
Receivables	222,587	-	-	-	-	-	222,587
Due from other funds	2,584,909	-	-	-	-	-	2,584,909
Intergovernmental receivables	1,390,888	775,171	114,134	-	-	303,000	2,583,193
Prepaid items	302,727	-	-	-	-	-	302,727
Inventories	-	-	1,696	-	-	-	1,696
Total assets	$ 20,788,789	$ 775,171	$ 153,158	$ 132,772	$ 836,450	$ 5,207,731	$ 27,894,071
LIABILITIES							
Accounts payable	$ 201,025	$ -	$ 279	$ 216	$ -	$ 1,171,946	$ 1,373,466
Accrued liabilities	818,510	-	-	-	-	-	818,510
Due to other funds	-	775,171	-	-	-	1,809,738	2,584,909
Due to retirement systems	1,576,309	-	-	-	-	-	1,576,309
Intergovernmental payables	-	-	46	-	-	-	46
Unearned revenue	6,325	-	12,907	-	-	-	19,232
Bond anticipation notes payable	-	-	-	-	-	3,531,000	3,531,000
Total liabilities	2,602,169	775,171	13,232	216	-	6,512,684	9,903,472
FUND BALANCES							
Nonspendable	302,727	-	1,696	-	-	-	304,423
Restricted	12,408,714	-	-	132,556	836,450	-	13,377,720
Assigned	3,878,338	-	138,230	-	-	-	4,016,568
Unassigned	1,596,841	-	-	-	-	(1,304,953)	291,888
Total fund balances (deficit)	18,186,620	-	139,926	132,556	836,450	(1,304,953)	17,990,599
Total liabilities and fund balances (deficit)	$ 20,788,789	$ 775,171	$ 153,158	$ 132,772	$ 836,450	$ 5,207,731	$ 27,894,071

The notes to the financial statements are an integral part of this statement.

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position
June 30, 2026

Amounts reported for governmental activities in the statement of net position (page 12) are different because:

Total fund balances (deficit)—governmental funds (page 14)		$ 17,990,599
Net pension assets are not current financial resources and, therefore, are not reported in the fund statements.		3,752,470
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is $82,988,039 and the accumulated depreciation/amortization is $41,099,158.		41,888,881
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	$ 2,098,843	
Deferred outflows related to experience, changes of assumptions, assumptions, investment earnings, and changes in proportion	4,146,491	
Deferred inflows of resources related to pension plans	(4,389,225)	1,856,109
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the fund statements.		
Deferred outflows related to experience and changes of assumptions	$ 282,364	
Deferred inflows related to experience and changes of assumptions	(2,758,169)	(2,475,805)
Net accrued interest expense for serial bonds is not reported in the fund statements.		(92,758)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Serial bonds	$ (20,120,000)	
Premium on serial bonds	(1,602,687)	
Compensated absences	(3,828,788)	
OPEB obligation	(1,866,945)	
Net pension liability	(678,609)	(28,097,029)
Net position of governmental activities		$ 34,822,467

The notes to the financial statements are an integral part of this statement.

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK

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

Year Ended June 30, 2026

	General	Special Revenue: Special Aid	Special Revenue: School Lunch	Special Revenue: Student Activities	Debt Service	Capital Projects	Total Governmental Funds
REVENUES							
Real property taxes	$ 15,202,727	$ -	$ -	$ -	$ -	$ -	$ 15,202,727
Real property tax items	1,355,108	-	-	-	-	-	1,355,108
Non property tax items	2,236,490	-	-	-	-	-	2,236,490
Charges for services	498,776	29,701	-	-	-	-	528,477
Use of money and property	743,791	-	1,867	1,196	20,767	-	767,621
Sale of property and compensation for loss	20,662	-	-	-	-	199,473	220,135
Miscellaneous	329,085	-	9	-	-	18,008	347,102
State sources	16,964,037	758,990	420,747	-	-	303,000	18,446,774
Federal sources	193,277	536,330	406,240	-	-	-	1,135,847
Sales—food service	-	-	66,395	-	-	-	66,395
Student activity collections	-	-	-	100,674	-	-	100,674
Total revenues	37,543,953	1,325,021	895,258	101,870	20,767	520,481	40,407,350
EXPENDITURES							
Current:							
General support	4,111,172	-	-	-	-	-	4,111,172
Instruction	18,784,899	1,150,559	-	-	-	-	19,935,458
Pupil transportation	2,230,603	131,138	-	-	-	-	2,361,741
Community services	20,790	-	-	-	-	-	20,790
Employee benefits	7,150,930	121,573	10,329	-	-	-	7,282,832
Debt service:							
Principal	1,860,000	-	-	-	-	-	1,860,000
Interest	855,276	-	-	-	-	-	855,276
Cost of sales	-	-	872,550	-	-	-	872,550
Student activities	-	-	-	127,911	-	-	127,911
Capital outlay	-	-	-	-	-	3,694,208	3,694,208
Total expenditures	35,013,670	1,403,270	882,879	127,911	-	3,694,208	41,121,938
Excess (deficiency) of revenues over expenditures	2,530,283	(78,249)	12,379	(26,041)	20,767	(3,173,727)	(714,588)
OTHER FINANCING SOURCES (USES)							
Transfers in	6,656	78,249	30,000	-	-	1,568,514	1,683,419
Transfers out	(1,676,763)	-	-	-	(6,656)	-	(1,683,419)
Total other financing sources (uses)	(1,670,107)	78,249	30,000	-	(6,656)	1,568,514	-
Net change in fund balances	860,176	-	42,379	(26,041)	14,111	(1,605,213)	(714,588)
Fund balances—beginning	17,326,444	-	97,547	158,597	822,339	300,260	18,705,187
Fund balances (deficit)—ending	$ 18,186,620	$ -	$ 139,926	$ 132,556	$ 836,450	$ (1,304,953)	$ 17,990,599

The notes to the financial statements are an integral part of this statement.

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities

Year Ended June 30, 2026

Amounts reported for governmental activities in the statement of activities (page 13) are different because:		
Net change in fund balances (deficit)—total governmental funds (page 16)		$ (714,588)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.		
Capital asset additions	$ 4,461,319	
Gain on disposals	24,106	
Depreciation/amortization expense	(3,096,457)	1,388,968
Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:		
District pension contributions	$ 1,025,049	
Employee contributions net of benefits earned	394,046	1,419,095
Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization.		728,489
In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.		12,275
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:		
Repayment of serial bonds	$ 1,860,000	
Amortization of premium on serial bonds	197,403	
Change in compensated absences	(1,206,158)	
Change in OPEB obligation	(272,878)	578,367
Change in net position of governmental activities		$ 3,412,606

The notes to the financial statements are an integral part of this statement.

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Fiduciary Net Position—Private Purpose Trust Fund
June 30, 2026

	Private Purpose Trust
ASSETS	
Restricted cash and cash equivalents	$ 4,658
Total assets	4,658
NET POSITION	
Restricted for scholarships	4,658
Total net position	$ 4,658

The notes to the financial statements are an integral part of this statement.

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Changes in Fiduciary Net Position—Private Purpose Trust Fund
Year Ended June 30, 2026

	Private Purpose Trust
ADDITIONS	
Gifts and contributions	$ 5,922
Investment earnings	94
Total additions	6,016
DEDUCTIONS	
Scholarships and awards	6,422
Total deductions	6,422
Change in fiduciary net position	(406)
Net position—beginning	5,064
Net position—ending	$ 4,658

The notes to the financial statements are an integral part of this statement.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Eden Central School District, New York (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental 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.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable. The District reports no business-type activities or component units.

Reporting Entity

The District is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying financial statements are those transactions which comprise District operations, and are governed by, or significantly influenced by, the Board of Education.

Essentially, the primary function of the District is to provide education for pupils. Support services such as transportation of pupils, food service, administration, finance, and plant maintenance are also included.

The financial reporting entity includes all funds, functions and organizations over which the District officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Extraclassroom Activity Funds—The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management; however, since the District has administrative involvement with these funds they are reported within the District's Student Activities Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office.

Joint Venture—The District is one of 27 participating school districts in the Erie No. 2—Chautauqua—Cattaraugus Board of Cooperative Educational Services ("BOCES"). Formed under Section 1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that share 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. All BOCES property is held by the BOCES Board as a corporation under Section 1950(6) of Education Law.

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. In addition, BOCES Boards are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of General Municipal Law.

The 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. As of June 30, 2026 there was no debt issued by the District on behalf of BOCES.

During the year ended June 30, 2025, the District was billed $3,567,983 for BOCES administrative and program costs and recognized $93,434 in revenue as a refund from prior years' expenditures paid to BOCES. Audited financial statements are available from the BOCES administrative offices.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments and charges between the District's various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – 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 fund financial statements is on major governmental funds, each displayed in a separate column. All of the District's funds are considered major funds.

The District reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the District and includes all operations not required to be recorded in other funds. The principal sources of revenues for the General Fund are real property taxes and state sources.

- *Special Aid Fund*—The Special Aid Fund is used to account for special operating projects or programs supported in whole, or in part, with federal and state grants.

- *School Lunch Fund*—The School Lunch Fund is used to account for transactions of the District's food service operations.

- *Student Activities Fund*—The Student Activities fund is used to account for extraclassroom and other transactions, which represents funds of the students of the District or other funds benefitting students. The District exercises administrative involvement with these funds.

- *Debt Service Fund*—The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

- *Capital Projects Fund*—The Capital Fund is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

Additionally, the District reports the following fund type:

- *Fiduciary Funds*—These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. Trust funds account for resources received ad disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary Funds include the *Private Purpose Trust Fund*. The *Private Purpose Trust Fund* is used to account for assets held by the District for scholarships.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

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

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, non-property taxes, charges for services provided, and state and federal aid associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met and the amount is received during the period or within the period of availability (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and amount is received during the period of availability for this revenue source. All other revenue items are considered to be measureable and available only when cash is received by the District.

The Private Purpose Trust Fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—The District's cash and cash equivalents consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. New York State law governs the District's investment policies. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. The District had no investments at June 30, 2026; however, when the District does have investments they are recorded at fair value in accordance with GASB.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represents amounts to support restricted fund balances, amounts held in the Capital Projects Fund, unearned revenues, and amounts held on behalf of others.

Receivables—Receivables are shown net of an allowance for uncollectible accounts, when applicable. Amounts due from state and federal governments represent amounts owed to the District to reimburse it for expenditures incurred pursuant to state and federally funded programs. No allowance or uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories—Inventories of food and/or supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

Noncurrent Net Pension Asset—The District reported an asset for its proportionate share of the net pension asset for the Teachers' Retirement System. Refer to Note 6 for additional information related to the District's net pension asset.

Capital Assets—Capital assets are tangible and intangible assets, which include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right-to-use lease assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than an established threshold for the type of asset and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are completed. Intangible right-to-use lease assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Capitalization Threshold	Estimated Useful Life (Years)
Land improvements	$ 50,000	15-20
Building and improvements	50,000	20-40
Furniture and equipment	1,000	5-20
Vehicles	14,000	8
Right-to-use lease assets	1,000	5

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new school bus included as part of *expenditures—pupil transportation).* The amount reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Leases—The District recognizes lease liabilities that are significant individually, or in the aggregate to the financial statements. At the commencement of a lease, the District initially measures the lease liability at the present value of any remaining payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made, as applicable. As of June 30, 2026, all lease payments were made before commencement of the respective leases. Accordingly, there are no remaining payments expected and the District reports no lease liability at June 30, 2026.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At June 30, 2026, the District reported $6,325 and $12,907 of unearned revenues in the General Fund and School Lunch Fund, respectively. The District received advance payments towards their driver's education program and school lunch accounts but has not yet spent the money and therefore recognizes a liability.

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2026, the District has two items that qualify for

reporting in this category. The first item is related to pensions reported in the government-wide financial statements. This represents the effect of the net change in the District's proportion of the collective net pension liability, and the difference during the measurement period between the District's contributions, its proportionate share of total contributions to the pension systems not included in pension expense, and any contributions to the pension systems subsequent to the measurement date. The second item is related to OPEB reported in the government-wide financial statements and represents the effects of the change in the District's proportion of the collective total OPEB liability and difference during the measurement period between certain employer contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At June 30, 2026, the District has two items that qualify for reporting in this category. The first item represents the effect of the net change in the District's proportion of the collective net pension liability and the difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide statements. The second item is related to OPEB reported in the government-wide financial statements and represents the effects of the change in the District's proportion of the collective total OPEB liability and difference during the measurement period between certain employer contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability.

Net Position Flow Assumptions—Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions—Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the

limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as committed. The Board of Education has by resolution authorized the Director of Finance to assign fund balance. The Board may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenses/Expenditures

Program Revenues—Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes—Real property taxes are levied annually as of July 1st by the Board of Education and attached as an enforceable lien. Uncollected real property taxes are subsequently enforced by the County of Erie. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the District no later than April 1st.

Compensated Absences—The District labor agreements and District rules and regulations provide for sick leave, vacations, and other miscellaneous paid absences. Upon retirement, certain eligible employees qualify for paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually without accrual.

Pensions—The District is mandated by New York State law to participate in the New York State Teachers' Retirement System ("TRS") and the New York State Local Employees' Retirement System ("ERS"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

Other Postemployment Benefits—In addition to providing pension benefits, the District provides health insurance coverage for certain retired employees as discussed in Note 7.

Other

Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets, liabilities, deferred outflows/inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements during the reported period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended June 30, 2026, the District implemented GASB Statement No. 103, *Financial Reporting Model Improvements*; improves financial reporting by addressing issues related to addressing issues related to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. GASB Statements No. 104, *Disclosure of Certain Capital Assets* improves financial reporting by providing users of financial statements with essential information about certain types of capital assets, including lease assets, subscription assets, intangible assets, and capital assets held for sale. The implementation of GASB Statements No. 103 and 104 did not have a material impact on the District's financial position or results from operations.

Future Impacts of Accounting Pronouncements—The District has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 105, *Subsequent Events*; effective for the fiscal year ending June 30, 2027. The District is, therefore, unable to disclose the impact that adopting GASB Statements No. 105 will have on its financial position and results of operations when such statements are adopted.

Deficit Fund Balance—The Capital Projects Fund reported a deficit fund balance at June 30, 2026 totaling $1,304,953. The deficit exists because the District issued bond anticipation notes ("BANs"), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as a fund liability in the Capital Projects Fund balance sheet (rather than an other financing source on the statement of revenues, expenses, and fund balances). When the cash from the BANs is spent, expenditures are reported and fund balance is reduced. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs or retire the BANs.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The District's investment policies are governed by State statutes. District monies must be deposited in FDIC-Insured commercial banks or trust companies located within New York State. The District's Director of Finance is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100 percent of all deposits not covered by Federal deposit insurance. The District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York. Cash and cash equivalents at June 30, 2026 are shown below:

	Governmental Funds	Fiduciary Funds	Total
Petty cash (uncollateralized)	$ 400	$ -	$ 400
Deposits	22,198,559	4,658	22,203,217
Total	$ 22,198,959	$ 4,658	$ 22,203,617

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at June 30, 2026 as shown on the following page.

	Bank Balance	Carrying Amount
FDIC insured	$ 12,140,774	$ 12,140,774
Uninsured:		
Collateral held by pledging bank's agent in the District's name	10,609,541	10,062,443
Total	$ 22,750,315	$ 22,203,217

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. At June 30, 2026, the District's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the District's name.

Restricted Cash and Cash Equivalents—The District reports amounts to support restricted fund balances, unspent proceeds of debt, unearned revenues, and amounts held on behalf of others as restricted cash and cash equivalents. At June 30, 2026, the District reported $18,301,899 of restricted cash within its governmental funds and $4,658 within its fiduciary funds.

Investments—The District reported no investments at June 30, 2026.

Interest Rate Risk—In accordance with its investment policy, the District manages exposures by limiting investments to low risk type investments governed by New York State statutes.

3. RECEIVABLES

Revenues accrued by the District at June 30, 2026 consisted of the following:

Receivables—The District reported a balance of $222,587 for receivables in the General Fund. The receivables consist primarily of voluntary education contributions.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State and other local governments. Intergovernmental receivables at June 30, 2026 are shown on the following page.

General Fund:		
New York State - Excess Cost Aid	$ 283,167	
New York State - BOCES Aid	654,909	
Amherst	21,326	
Cattaraugus-Little Valley CSD	59,180	
Frontier Central School District	5,152	
North Collins Central School District	126,213	
Gowanda Central School District	1,200	
Buffalo Public Central School District	82,069	
Orchard Park Central School District	157,672	$ 1,390,888
Special Aid Fund:		
New York State - Summer Handicap Programs	453,132	
New York State - Universal Pre-K	110,129	
Federal - various programs	211,910	775,171
School Lunch Fund:		
Child Nutrition Programs		114,134
Capital Fund:		
Smart School Bond		303,000
Total governmental funds		$ 2,583,193

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2026 was as follows:

	Balance 7/1/2025	Increases	Decreases	Balance 6/30/2026
Capital assets, not being depreciated/amortized:				
Land	$ 142,997	$ -	$ -	$ 142,997
Construction in progress	1,011,445	3,694,208	99,514	4,606,139
Total capital assets, not being depreciated/amortized	1,154,442	3,694,208	99,514	4,749,136
Capital assets, being depreciated/amortized:				
Land improvements	8,596,184	14,594	-	8,610,778
Buildings and improvements	56,767,673	104,970	-	56,872,643
Furniture and equipment	7,093,719	459,626	19,442	7,533,903
Vehicles	4,544,899	287,435	300,375	4,531,959
Intangible assets:				
Right-to-use lease assets	795,526	-	105,906	689,620
Total capital assets, being depreciated/amortized	77,798,001	866,625	425,723	78,238,903
Accumulated depreciation/amortization for:				
Land improvements	5,164,756	326,387	-	5,491,143
Buildings and improvements	24,964,719	1,924,922	-	26,889,641
Furniture and equipment	5,680,886	224,549	17,462	5,887,973
Vehicles	2,315,920	494,471	300,375	2,510,016
Intangible assets:				
Right-to-use lease assets	326,249	126,128	131,992	320,385
Total accumulated depreciation/amortization	38,452,530	3,096,457	449,829	41,099,158
Total capital assets being depreciated/ amortized, net	39,345,471	(2,229,832)	(24,106)	37,139,745
Governmental activities capital assets, net	$ 40,499,913	$ 1,464,376	$ 75,408	$ 41,888,881

Depreciation and amortization expense was charged to the functions and programs of governmental activities as follows:

General support	248,855
Instruction	2,228,750
Pupil transportation	492,725
School food service	126,127
Total	$ 3,096,457

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at June 30, 2026, were as follows:

	General Fund
Salaries and employee benefits	$ 818,510

6. PENSION PLANS

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"). These cost-sharing multiple-employer public employee retirement systems compute contribution retirements based on the New York State Retirement and Social Security Law ("NYSRSSL").

Plan Descriptions and Benefits Provided

Teachers' Retirement System—TRS provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS is governed by a 10 member Board of Trustees. TRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding TRS, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Annual Comprehensive Financial Report which can be found at the TRS website at www.nystrs.org.

Employees' Retirement System—ERS provides retirement benefits as well as death and disability benefits. The net position of ERS is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. ERS benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute three percent (3.0%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute three percent (3.0%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law. For ERS, the Comptroller annually certifies the actuarially determined rates

expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At June 30, 2026, the District reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of June 30, 2025 for TRS and March 31, 2026 for ERS. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by actuarial valuations as of June 30, 2024 and April 1, 2025, respectively, with update procedures used to roll forward the total pension liability/(asset) to the measurement dates. The District's proportion of the net pension liability/(asset) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2025	March 31, 2026
Net pension liability/(asset)	$ (3,752,470)	$ 678,609
District's portion of the Plan's total net pension liability/(asset)	0.063375%	0.0120283%

For the year ended June 30, 2026, the District recognized pension expense of $(226,737) and $798,312 for TRS and ERS, respectively. At June 30, 2026 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Difference between expected and actual experiences	$ 1,967,131	$ 388,340	$ -	$ -
Changes of assumptions	1,485,486	116,487	40,458	-
Net difference between projected and actual earnings on pension plan investments	-	-	2,930,670	1,216,783
Changes in proportion and differences between the District's contributions and proportionate share of contributions	51,247	137,800	106,841	94,473
District contributions subsequent to the measurement date	1,364,232	734,611	-	-
Total	$ 4,868,096	$ 1,377,238	$ 3,077,969	$ 1,311,256

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

Year Ending June 30,	TRS	ERS
2027	$ 1,879,526	$ 300,230
2028	(816,905)	(428,882)
2029	(857,955)	(272,003)
2030	(180,851)	(267,974)
2031	329,472	-
Thereafter	72,608	-

Actuarial Assumptions—The total pension liability as of the measurement dates were determined by using actuarial valuations as noted in the table on the following page, with update procedures used to roll forward the total pension liability to the respective measurement dates. The actuarial valuations used the actuarial assumptions as shown below:

	TRS	ERS
Measurement date	June 30, 2025	March 31, 2026
Actuarial valuation date	June 30, 2024	April 1, 2025
Interest rate	6.95%	5.90%
Salary scale	2.04%-5.08%	5.20%
Decrement tables	July 1, 2019 - June 30, 2024	April 1, 2020 - March 31, 2025
Inflation rates	2.50%	2.90%
Cost-of-living adjustments	1.40%	1.50%

For TRS, annuitant mortality rates are based on July 1, 2019 – June 30, 2024 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2020 – March 31, 2025 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

For TRS, the actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2024. For ERS, the actuarial assumptions used in the April 1, 2025 valuation are based on the results of an actuarial experience study for the period April 1, 2020 – March 31, 2025.

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

	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
Measurement date			June 30, 2025	March 31, 2026
Asset class:				
Domestic equities	33.0 %	25.0 %	6.7 %	3.3 %
International equities	15.0	14.0	7.4	5.9
Global equities	4.0	0.0	7.0	0.0
Private equity	9.0	15.0	9.8	7.0
Real estate	11.0	12.0	6.5	5.2
Opportunistic porfolio/Absolute return strategy	0.0	3.0	0.0	5.1
Credit	0.0	4.0	0.0	5.1
Domestic fixed income securities	16.0	0.0	2.6	0.0
Global bonds	2.0	0.0	2.4	0.0
High-yield bonds	1.0	0.0	4.7	0.0
Private debt	2.0	0.0	6.1	0.0
Real assets	0.0	4.0	0.0	5.5
Real estate debt	6.0	0.0	3.8	0.0
Fixed income	0.0	22.0	0.0	1.8
Cash	1.0	1.0	0.6	0.3
Total	100.0 %	100.0 %		

Discount Rate—The discount rate used to calculate the total pension liability was 6.95% for TRS and 5.90% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption—The chart below presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.95% for TRS and 5.90% for ERS, as well as what the District's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.95% for TRS and 4.90% for ERS) or one percentage-point higher (7.95% for TRS and 6.90% for ERS) than the current assumption.

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension liability/(asset)	$ 7,210,420	$ (3,752,470)	$ (12,977,172)

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension liability/(asset)	$ 4,634,711	$ 678,609	$ (2,628,868)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability of the employers as of the respective valuation dates, were as follows:

	(Dollar in Thousands)	
	TRS	ERS
Valuation date	June 30, 2024	April 1, 2025
Employers' total pension liability	$ 148,272,068	$ 253,773,040
Plan fiduciary net position	154,193,125	248,131,290
Employers' net pension liability	$ (5,921,057)	$ 5,641,750
System fiduciary net position as a percentage of total pension liability	104.0%	97.8%

Payables to the Pension Plan—For TRS, employer and employee contributions for the fiscal year ended June 30, 2026 are paid to the System in September, October and November 2026 through a state aid intercept. Accrued retirement contributions as of June 30, 2026 represent employee and employer contributions for the fiscal year ended June 30, 2026 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to $1,365,150.

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2026 represent the projected employer contribution for the period of April 1, 2026 through June 30, 2026 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to $211,159.

7. OTHER POSTEMPLOYMENT BENEFITS ("OPEB") OBLIGATION

Plan Description—In addition to pension benefits, the District provides postemployment (medical) coverage for current retirees with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. The estimated cost of such benefits totaled $110,414 for the year ended June 30, 2026.

Authorization for the District to pay a portion of retiree health insurance premiums was enacted through various contracts, which were ratified by the District's Board of Education. For certain retirees, the District pays a portion of the cost of the employee's current coverage at the time of retirement until an employee reaches the age of 65. At age 65, retirees are required to elect post-65 coverage in the current plan and apply Medicare part B coverage. Retired employees are assumed to continue coverage currently elected.

Employees Covered by Benefit Terms—At June 30, 2026, the following employees were covered by the benefit terms:

Inactive employees or beneficiairies currently receiving benefit payments	38
Active employees	192
Total	230

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or "earned"), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability ("AAL") under GASB Statement No. 45.

Total OPEB Liability

The District's total OPEB liability of $1,866,945 was measured as of June 30, 2026, and was determined by an actuarial valuation dated June 30, 2026.

Actuarial Methods and Assumptions—Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the June 30, 2026 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 4.39% to 4.41% effective June 30, 2026. The salary scale was 3.30% effective June 30, 2026. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 6.10%, while the ultimate healthcare cost trend rate is 3.70%. Mortality rates were updated to Pub-2016 Public Retirement Plans Mortality Tables, headcount-weighted, distinct for teachers, general, and safety, without separate contingent survivor mortality, fully generational using scale MP-2021.

The actuarial assumptions used in the June 30, 2026 valuation were based on the results of an actuarial experience study for the period July 1, 2025 through April 1, 2026.

	Total OPEB Liability
Balance at June 30, 2025	$ 1,594,067
Changes for the year:	
Service cost	46,682
Interest	67,181
Differences between expected and actual experience	285,351
Changes of assumptions	(15,922)
Benefit payments	(110,414)
Net changes	272,878
Balance at June 30, 2026	$ 1,866,945

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the total OPEB liability. The following table presents the effect a 1% change in the discount rate assumption would have on the total OPEB liability:

	Decrease (3.41%)	Discount Rate (4.41%)	Increase (5.41%)
Total OPEB liability	$ 2,000,785	$ 1,866,945	$ 1,746,062

Additionally, healthcare costs can be subject to considerable volatility over time. The table on the following page presents the effect on the total OPEB liability of a 1.0% change in the initial (6.10%)/ ultimate (3.70%) healthcare cost trend rates.

	1% Decrease (5.10%/2.70%)	Healthcare Cost Trend Rates (6.10%/3.70%)	1% Decrease (7.10%/4.70%)
Total OPEB liability	$ 1,716,208	$ 1,866,945	$ 2,039,135

Funding Policy—Authorization for the District to pay a portion of retiree health insurance premiums was enacted through various union contracts, which were ratified by the District's Board of Education. The District recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. District governmental funds contributed $110,414 for the fiscal year ended June 30, 2026. The District's contributions to the OPEB plan are based on negotiated contracts with four bargaining units, as discussed in Note 13. Any amendments to the employer's contributions are subject to the various contracts.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The District reports deferred outflows and inflows of resources due to differences during the measurement period between the employer's contributions and its proportionate share of the total contributions from employers included in the collective total OPEB liability are required to be determined. The table on the following page presents the District's deferred outflows and inflows of resources at June 30, 2026.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 254,760	$ 782,377
Changes of assumptions	-	1,975,792
Contributions subsequent to the measurement date	27,604	-
Total	$ 282,364	$ 2,758,169

District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as shown below:

Year Ending June 30,	
2027	(466,070)
2028	(466,953)
2029	(466,953)
2030	(466,953)
2031	(411,493)
Thereafter	(224,987)

8. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; vehicle liability; injuries to employees; and natural disasters. The District purchases commercial insurances to cover such potential risks. There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any settlements which have

exceeded insurance coverage in the past three fiscal years. The general liability, school board legal liability and automobile liability insurance is limited to $11 million; a primary liability of $1 million with a $10 million umbrella. There is a $2,500 deductible applicable to school board legal liability claims. The property insurance limit is about $125 million and claims are subject to a $5,000 deductible.

The District participates in Erie No. 2 Area Schools Self-Funded Workers' Compensation Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The Erie No. 2 Area Schools Self-Funded Workers' Compensation Plan is considered a self-sustaining risk pool that will provide coverage for its members up to $650,000 per event. The Consortium maintains independent coverage for events in excess of $650,000. The District has essentially transferred all related risk to the Plan.

9. SHORT-TERM DEBT

Liabilities for bond anticipation notes ("BANs") are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. A summary of the District's short-term debt for the fiscal year ended June 30, 2026 follows:

Description	Interest Rate	Maturity Date	Balance 7/1/2025	Issues	Redemptions	Balance 6/30/2026
Capital Projects Fund:						
Various capital projects - 2026	3.75%	6/25/2026	$ -	$ 1,469,000	$ 1,469,000	$ -
Various capital projects - 2026	4.00%	6/30/2027	-	3,531,000	-	3,531,000
Total			$ -	$ 5,000,000	$ 1,469,000	$ 3,531,000

10. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The District's outstanding long-term liabilities include serial bonds, premium on serial bonds, compensated absences, OPEB obligation, and net pension liability. The bonds payable of the District are secured by its general credit and revenue raising powers, as per State statute.

A summary of changes in the District's long-term liabilities at June 30, 2026 is presented below:

	Balance 7/1/2025	Additions	Reductions	Balance 6/30/2026	Due Within One Year
Serial bonds	$ 21,980,000	$ -	$ 1,860,000	$ 20,120,000	$ 1,945,000
Premium on serial bonds	1,800,090	-	197,403	1,602,687	197,403
Compensated absences*	2,622,630	1,206,158	-	3,828,788	191,439
OPEB obligation	1,594,067	399,215	126,337	1,866,945	-
Net pension liability*	2,070,331	-	1,391,722	678,609	-
Total	$ 30,067,118	$ 1,605,373	$ 3,575,462	$ 28,097,029	$ 2,333,842

(*Additions/reductions to compensated absences and the net pension liability are shown net of reductions/additions, respectively.)

Serial Bonds—The District issues general obligation bonds to provide funds for the acquisition, construction and renovations of major capital facilities. Serial bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with original maturities that range from 14 to 16 years.

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

The District does not hold any lines of credit.

A summary of additions and payments for the year ended June 30, 2026 is presented below:

Description	Year of Issue/ Maturity	Interest Rate (%)	Balance 7/1/2025	Additions	Reductions	Balance 6/30/2026
2019 Serial bond	2019/2033	3.00-5.00	$ 11,225,000	$ -	$ 1,215,000	$ 10,010,000
2022 Serial bond	2022/2039	4.00	10,755,000	-	645,000	10,110,000
Total			$ 21,980,000	$ -	$ 1,860,000	$ 20,120,000

Premium on Serial Bonds—The District issued serial bonds and refunding bonds which received bond premiums. The premiums are being amortized on a straight-line basis over the life of the bonds. Total unamortized premium as of June 30, 2026 was $1,602,687.

Compensated Absences—As explained in Note 1, the District records the value of compensated absences in the government-wide financial statements. The annual budgets of the operating funds provide funding for these benefits as they become due. The liability for compensated absences consists of unpaid accumulated annual sick and vacation time. The value recorded in the government-wide financial statements at June 30, 2026 for governmental activities is $3,828,788. Management estimates that $191,439 is due within one year. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable.

OPEB Obligation—As explained in Note 7, the District provides health insurance coverage for certain retirees. The District's annual postemployment benefit ("OPEB") cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The long-term OPEB obligation is estimated to be $1,866,945 at June 30, 2026.

Net Pension Liability—The District reported a liability, totaling $678,609, for its proportionate share of the net pension liability for the Employees' Retirement System. Refer to Note 6 for additional information related to the District's net pension liability.

The following is a maturity schedule of the District's indebtedness:

Year Ending June 30,	Serial Bonds	Premium on Serial Bonds	Compensated Absences	OPEB Obligation	Net Pension Liability	Total
2027	1,945,000	197,403	191,439	-	-	2,333,842
2028	2,025,000	197,403	-	-	-	2,222,403
2029	2,105,000	197,403	-	-	-	2,302,403
2030	2,180,000	197,403	-	-	-	2,377,403
2031	2,270,000	197,403	-	-	-	2,467,403
2032-3036	7,380,000	500,306	-	-	-	7,880,306
2036-2039	2,215,000	115,366	-	-	-	2,330,366
Thereafter	-	-	3,637,349	1,866,945	678,609	6,182,903
Totals	$ 20,120,000	$ 1,602,687	$ 3,828,788	$ 1,866,945	$ 678,609	$ 28,097,029

Interest requirements on serial bonds are as follows:

Year Ending June 30,	Interest
2027	758,750
2028	680,950
2029	599,950
2030	515,750
2031	428,550
2031-2035	1,103,450
2036-2039	154,400
Total	$ 4,241,800

11. NET POSITION AND FUND BALANCE

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- ***Net Investment in Capital Assets***—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation/amortization and the outstanding balances of debt that are attributable to the acquisition, construct or improvement of these assets reduce the balance in this category.

- ***Restricted Net Position***—This category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- ***Unrestricted Net Position***—This category represents net position of the District not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the District at June 30, 2026 includes:

- ***Inventories***—Representing the portion of fund balance, $1,696 composed of inventory. This balance is nonspendable as the inventory does not represent an available resource.

- ***Prepaid Items***—Represents amounts prepaid to vendors of $302,727 within the General Fund that are applicable to future accounting periods.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grants, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balances maintained by the District at June 30, 2026 are shown on the following page.

	General Fund	Student Activities Fund	Debt Service Fund	Total
Unemployment insurance	$ 113,240	$ -	$ -	$ 113,240
Retirement contribution	2,478,015	-	-	2,478,015
Tax certiorari	48,547	-	-	48,547
Employee benefits	1,297,812	-	-	1,297,812
Repairs	143,555	-	-	143,555
Workers' compensation	278,424	-	-	278,424
Liability claims	322,775	-	-	322,775
Debt service	-	-	836,450	836,450
Capital projects	7,726,346	-	-	7,726,346
Student activities	-	132,556	-	132,556
Total	$ 12,408,714	$ 132,556	$ 836,450	$ 13,377,720

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

- ***Retirement Contribution***—According to General Municipal Law Section 6-r, this restriction must be used to pay "retirement contributions," which are defined as all or any portion of the amount payable to the ERS ($1,781,622), pursuant to Sections 17 or 317 of the NYSSRL, and to the TRS ($696,393), pursuant to the newly amended Section 6-r. The restriction may be established by Board resolution; there are no referendum requirements to create the funds or expend money from the funds. The Board may authorize the transfer of the moneys to a reserve fund established pursuant to Sections 6c-g of the GML or Section 3651 of Education Law.

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

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

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

- ***Workers' Compensation***—According to General Municipal Law Section 6-j, this restriction must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds may be legally appropriated. Within sixty days after the end of the fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget.

- ***Liability Claims***—According to Education Law Sections 1709[8-c] and 1950[4][cc], this restriction must be used to establish and maintain a program of reserves to cover property loss or liability claims. The creation of a property loss reserve requires resolution of the governing board; there are no referendum requirements to create the funds or expend money from the funds.

- ***Debt Service***—According to General Municipal Law Section 6-l, the mandatory reserve for debt service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was

financed by obligations that remain outstanding at the time of sale. The reserve may be funded by proceeds of the sale of District property or capital improvement, as well as unspent proceeds of debt and amounts restricted by Board resolution for debt service payments.

- ***Capital Projects***—According to Education Law Section 3651, this restriction must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the restriction only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in Section 3651 of the Education Law.

- ***Student Activities***—Amounts generated by the Extraclassroom Activities of the District and other programs benefitting students, which are restricted for use only within the Student Activities Fund for specific student activities.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the District's highest level of decision-making authority. As of June 30, 2026, the District reported no committed fund balances.

In the fund financial statements, assignments are not legally required segregations, but are segregated for a specific purpose by the District at June 30, 2026 and include:

	General Fund	School Lunch Fund	Total
Subsequent year's expenditures	$ 3,000,000	$ -	$ 3,000,000
Encumbrances	878,338	-	878,338
Specific use	-	138,230	138,230
Total	$ 3,878,338	$ 138,230	$ 4,016,568

- ***Assigned to Subsequent Year's Expenditures***—Representing available fund balance being appropriated to meet expenditure requirements in the 2026-2027 fiscal year.

- ***Assigned to Encumbrances***—Represents amounts related to unperformed (executory) contracts for goods and services.

- ***Assigned to Specific Use***—Representing fund balance within special revenue funds that is assigned for a specific purpose. The assignments' purpose relates to each fund's operations and represent remaining amounts within the special revenue fund used to maintain school lunch operations.

If the District must use funds for emergency expenditures the Board of Education shall authorize the Director of Finance to expend funds first from funds classified under GASB as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds as classified by GASB will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available, the District will use unassigned fund balance.

12. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short term in nature and exist because of temporary advances or payments made on behalf of other funds. The composition of interfund balances as of June 30, 2026 is shown below:

Fund	Interfund Receivable	Interfund Payable
Governmental Funds:		
General Fund	$ 2,584,909	$ -
Special Aid Fund	-	775,171
Capital Projects Fund	-	1,809,738
Total governmental funds	$ 2,584,909	$ 2,584,909

The outstanding balances between funds result from payments made on behalf of other funds or temporary advances. All of these balances are expected to be collected/paid within the subsequent year.

The District made the following transfers during the year ended June 30, 2026:

Fund	Transfers in: General Fund	School Lunch Fund	Special Aid Fund	Capital Projects Fund	Total
Transfers out:					
General Fund	$ -	$ 30,000	$ 78,249	$ 1,568,514	$ 1,676,763
Debt Service Fund	6,656	-	-	-	6,656
Total	$ 6,656	$ 30,000	$ 78,249	$ 1,568,514	$ 1,683,419

Transfers are used primarily to finance certain school lunch programs, special aid programs and capital projects of the District and to move unspent capital projects funds.

13. LABOR CONTRACTS

District employees are represented by four bargaining units, with the balance governed by Board of Education rules and regulations. The Eden Teachers Association contract is in place through June 30, 2029 and the Eden Administrative-Supervisory Association, the Eden Supervisory Staff Organization and the Civil Service Employees Association contracts are in place through June 30, 2026.

14. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. The District considers encumbrances significant if they are in excess of $10,000. As of June 30, 2026, the significant encumbrances are shown on the following page.

Fund	Description	Amount Encumbered
General Fund	Equipment	$ 708,666
General Fund	Eden CSD Projects	146,408
General Fund	Other equipment	21,258

15. TAX ABATEMENTS

The District is subject to tax abatements granted by the Erie County Industrial Development Agency ("ECIDA"). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the ECIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. As of June 30, 2026, the District does not report any tax abatement agreements.

16. CONTINGENCIES

Litigation—Various legal actions are pending against the District. The outcome of these matters is not presently determinable but, in the opinion of management, the ultimate liability will not have a material adverse effect on the financial condition or results of operation of the District.

Grants—In the normal course of business, the District receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Other—The District is involved in litigation in the ordinary course of its operations. The District believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the District's financial condition or results of operation.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 14, 2026 which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

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EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)—
Teachers' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Measurement date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proporiation of the net pension liability (asset)	0.063375%	0.064687%	0.062923%	0.061944%	0.061332%	0.060254%	0.060593%	0.059649%	0.062157%	0.062768%
District's proportionate share of the net pension liability (asset)	$ (3,752,470)	$ (1,930,018)	$ 719,577	$ 1,188,637	$ (10,628,282)	$ 1,664,967	$ (1,574,203)	$ (1,078,606)	$ (472,458)	$ 672,274
District's covered payroll	12,743,198	$ 12,761,544	$ 12,688,161	$ 11,238,731	$ 10,491,280	$ 10,491,280	$ 10,307,062	$ 9,858,931	$ 9,955,988	$ 9,850,538
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(29.4%)	(15.1%)	5.7%	10.6%	(101.3%)	15.9%	(15.3%)	(10.9%)	(4.75%)	6.82%
Plan fiduciary net position as a percentage of the total pension liability	104.0%	102.1%	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District's Contributions—
Teachers' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	1,258,056	$ 1,205,468	$ 1,195,834	$ 1,188,637	$ 1,135,778	$ 870,920	$ 906,148	$ 1,074,097	$ 1,154,407	$ 1,284,332
Contribution in relation to the contractually required contribution	(1,258,056)	(1,205,468)	(1,195,834)	(1,188,637)	(1,135,778)	(870,920)	(906,148)	(1,074,097)	(1,154,407)	(1,284,332)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	13,153,500	$ 12,743,198	$ 12,237,432	$ 12,688,161	$ 11,238,731	$ 10,562,269	$ 10,491,280	$ 10,307,062	$ 9,858,931	$ 9,955,988
Contributions as a percentage of covered payroll	9.6%	9.5%	9.8%	9.4%	10.1%	8.2%	8.6%	10.4%	11.7%	12.9%

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)—
Employees' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Measurement date	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
District's proporiation of the net pension liability (asset)	0.0120283%	0.0120749%	0.0132830%	0.0114365%	0.0096575%	0.0093290%	0.0088642%	0.0091763%	0.0100904%	0.0097829%
District's proportionate share of the net pension liability (asset)	$ 678,609	$ 2,070,331	$ 1,955,794	$ 2,452,439	$ (789,462)	$ 9,289	$ 2,347,297	$ 650,167	$ 325,662	$ 919,221
District's covered payroll	5,077,890	$ 4,924,358	$ 4,007,388	$ 4,459,834	$ 3,862,804	$ 3,514,773	$ 3,506,545	$ 3,223,829	$ 3,202,335	$ 3,358,367
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	13.4%	42.0%	48.8%	55.0%	(20.4%)	0.3%	66.9%	20.2%	10.2%	27.4%
Plan fiduciary net position as a percentage of the total pension liability	97.8%	93.1%	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of District's Contributions—
Employees' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	798,312	$ 699,295	$ 595,713	$ 430,030	$ 545,152	$ 501,714	$ 464,327	$ 475,949	$ 512,628	$ 490,061
Contribution in relation to the contractually required contribution	(798,312)	(699,295)	(595,713)	(430,030)	(545,152)	(501,714)	(464,327)	(475,949)	(512,628)	(490,061)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	4,585,210	4,967,656	4,823,965	4,390,085	4,043,792	3,550,943	3,502,153	3,617,767	$ 3,207,603	$ 3,254,911
Contributions as a percentage of covered payroll	17.4%	14.1%	12.3%	9.8%	13.5%	14.1%	13.3%	13.2%	16.0%	15.1%

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years

	Year Ended June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability										
Service cost	$ 46,682	$ 35,233	$ 160,923	$ 213,278	$ 219,230	$ 199,935	$ 102,099	$ 74,843	$ 74,353	$ 72,699
Interest	67,181	62,263	174,757	160,577	123,736	152,051	131,402	102,105	101,375	85,129
Differences between expected and actual experience	285,351	11,368	(365,302)	(1,015,250)	404,083	(919,929)	1,935,248	929,936	87,187	191,351
Changes of assumptions	(15,922)	(43,960)	(2,796,982)	(177,239)	(282,612)	96,207	325,192	65,536	52,843	(101,798)
Benefit payments	(110,414)	(106,519)	(179,917)	(235,301)	(227,723)	(280,520)	(208,234)	(155,625)	(122,419)	(102,958)
Net changes in total OPEB liability	272,878	(41,615)	(3,006,521)	(1,053,935)	236,714	(752,256)	2,285,707	1,016,795	193,339	144,423
Total OPEB liability—beginning	1,594,067	1,635,682	4,642,203	5,696,138	5,459,424	6,211,680	3,925,973	2,909,178	2,715,839	2,571,416
Total OPEB liability—ending	$ 1,866,945	$ 1,594,067	$ 1,635,682	$ 4,642,203	$ 5,696,138	$ 5,459,424	$ 6,211,680	$ 3,925,973	$ 2,909,178	$ 2,715,839
Plan fiduciary net position										
Contributions—employer	$ 110,414	$ 106,519	$ 179,917	$ 227,723	$ 227,723	$ 280,520	$ 208,234	$ 155,625	$ 122,419	$ 102,958
Benefit payments	(110,414)	(106,519)	(179,917)	(227,723)	(227,723)	(280,520)	(208,234)	(155,625)	(122,419)	(102,958)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-	-	-	-
Plan fiduciary net position—ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's net OPEB liability—ending	$ 1,866,945	$ 1,594,067	$ 1,635,682	$ 4,642,203	$ 5,696,138	$ 5,459,424	$ 6,211,680	$ 3,925,973	$ 2,909,178	$ 2,715,839
Plan's fiduciary net position as a percentage of the total OPEB liabilty	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	$ 13,247,277	$ 12,484,761	$ 12,484,761	$ 12,484,761	$ 11,909,153	$ 11,513,102	$ 11,019,867	$ 10,676,097	$ 10,334,040	$ 10,334,040
District's net OPEB liability as a percentage of covered-employee payroll	14.1%	13.1%	13.1%	47.8%	47.8%	47.4%	56.4%	36.8%	28.2%	26.3%

The notes to the required supplementary information are an integral part of this schedule.

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EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual—General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actual	Variance with Final Budget Over (Under)
	Original	Final	Original Budget	Amounts	Budgetary Actual
REVENUES					
Local sources:					
Real property taxes	$ 15,196,953	$ 15,196,953	$ -	$ 15,202,727	$ (5,774)
Real property tax items	1,341,515	1,341,515	-	1,355,108	(13,593)
Non property tax items	1,900,804	1,900,804	-	2,236,490	(335,686)
Charges for services	158,550	158,550	-	498,776	(340,226)
Use of money and property	163,051	163,051	-	743,791	(580,740)
Sale of property and compensation for loss	3,500	3,500	-	20,662	(17,162)
Miscellaneous	150,000	150,000	-	329,085	(179,085)
State sources:					
Basic formula - general aid	11,409,460	11,409,460	-	10,967,586	441,874
Basic formula - excess cost aid	793,459	793,459	-	1,887,783	(1,094,324)
Lottery aid	1,994,317	1,994,317	-	1,951,218	43,099
Commercial gaming aid	50,245	50,245	-	58,634	(8,389)
Cannabis aid	3,000	3,000	-	-	3,000
Mobile sports wagering	590,600	590,600	-	834,095	(243,495)
BOCES aid	1,135,900	1,135,900	-	1,136,868	(968)
Textbook aid	75,966	75,966	-	75,958	8
Computer software/hardware	37,718	37,718	-	37,812	(94)
Library loan program	7,769	7,769	-	7,750	19
Homeless aid	-	-	-	6,333	(6,333)
Federal sources:			-		
Emergency disaster assistance	-	-	-	3,817	(3,817)
Medicaid assistance	100,000	100,000	-	189,460	(89,460)
Total revenues	35,112,807	35,112,807	-	37,543,953	(2,431,146)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	6,656	(6,656)
Appropriated reserves	1,898,406	1,898,406	-	-	1,898,406
Total other financing sources	1,898,406	1,898,406	-	6,656	1,891,750
Total revenues and other financing sources	$ 37,011,213	$ 37,011,213	$ -	$ 37,550,609	$ (539,396)

(continued)

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual—General Fund
Year Ended June 30, 2026

(concluded)

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actual		Variance with Final Budget Over (Under) Budgetary
	Original	Final	Original Budget	Amounts	Encumbrances	Actual
EXPENDITURES						
General support:						
Board of Education	$ 35,175	$ 31,233	$ (3,942)	$ 27,564	$ -	$ 3,669
Central administration	310,463	313,123	2,660	306,589	-	6,534
Finance	505,776	487,556	(18,220)	445,772	24,358	17,426
Staff	145,511	334,401	188,890	281,199	-	53,202
Central services	2,888,843	2,960,335	71,492	2,504,158	149,195	306,982
Special items	569,227	567,727	(1,500)	545,890	-	21,837
Instruction:						
Instruction, administration and improvement	1,486,393	1,509,435	23,042	1,396,945	-	112,490
Teaching—regular school	9,638,771	9,570,042	(68,729)	9,121,896	326	447,820
Programs for students with disabilities	5,808,495	5,949,999	141,504	5,143,262	3,500	803,237
Occupational education	778,129	744,428	(33,701)	537,406	-	207,022
Teaching—special schools	24,040	24,040	-	17,137	-	6,903
Instructional media	888,186	873,683	(14,503)	698,134	-	175,549
Pupil services	2,169,097	2,057,067	(112,030)	1,870,119	-	186,948
Pupil transportation	2,247,796	3,377,152	1,129,356	2,230,603	708,665	437,884
Community services	24,616	24,616	-	20,790	-	3,826
Employee benefits	8,278,723	8,148,605	(130,118)	7,150,930	(7,706)	1,005,381
Debt service:			-			
Principal	3,457,550	1,988,550	(1,469,000)	1,860,000	-	128,550
Interest	864,909	864,909	-	855,276	-	9,633
Total expenditures/encumbrances	40,121,700	39,826,901	(294,799)	35,013,670	878,338	3,934,893
OTHER FINANCING USES						
Transfers out	203,529	1,683,189	1,479,660	1,676,763	-	6,426
Total expenditures/encumbrances and other financing uses	40,325,229	41,510,090	1,184,861	36,690,433	878,338	3,941,319
Net change in fund balances*	(3,314,016)	(4,498,877)	(1,184,861)	860,176		
Fund balance—beginning	17,326,444	17,326,444	-	17,326,444		
Fund balance—ending	$ 14,012,428	$ 12,827,567	$ (1,184,861)	$ 18,186,620		

*The net change in fund balances was included as appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

The notes to the required supplementary information are an integral part of this schedule.

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1. TEACHERS' RETIREMENT SYSTEM AND EMPLOYEES' RETIREMENT SYSTEM

During the year ended June 30, 2026, the inflation rate assumption was increased from 2.40 percent to 2.50 percent for TRS and remained at 2.90 percent for ERS. The discount rate used to calculate the total pension liability remained at 6.95 percent for TRS and 5.90 percent for ERS.

The total pension liability actuarial valuation was determined using the following actuarial assumptions:

	TRS	ERS
Measurement date	June 30, 2025	March 31, 2026
Actuarial valuation date	June 30, 2024	April 1, 2025
Interest rate	6.95%	5.90%
Salary scale	2.04%-5.08%	5.20%
Decrement tables	July 1, 2019 - June 30, 2024	April 1, 2020 - March 31, 2025
Inflation rates	2.50%	2.90%
Cost-of-living adjustments	1.40%	1.50%

For TRS, annuitant mortality rates are based on July 1, 2019 – June 30, 2024 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2020 – March 31, 2025 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

For TRS, the actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2024. For ERS, the actuarial assumptions used in the April 1, 2025 valuation are based on the results of an actuarial experience study for the period April 1, 2020 – March 31, 2025.

2. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the long-term bond rate, the mortality rate, and the healthcare cost trend rate. The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date, which increased from 4.39% to 4.41% at June 30, 2026. The salary scale changed was 3.30% effective June 30, 2026. Mortality rates were updated to Pub-2016 Public Retirement Plans Mortality Tables, headcount-weighted, distinct for teachers, general, and safety, without separate contingent survivor mortality, fully generational using scale MP-2021. Finally, the healthcare cost trend rate was updated to 6.10%, while the ultimate healthcare cost trend rate is 3.70%.

3. BUDGETARY INFORMATION

Budgetary Basis of Accounting—An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund. The Capital Projects Fund is appropriated on a project-length basis. No formal annual budget is adopted for the Debt Service, Special Aid, School Lunch, and Student Activities Funds. Appropriation limits, where applicable, for the Special Aid Fund

and Debt Service Fund are maintained based on debt schedules, individual grants and donations or fundraising revenues accepted by the Board of Education. The periods of such grants may vary from the District's fiscal year. No budget is adopted for the Student Activities Fund as the extraclassroom activities of the District are maintained by the individual clubs. A budget is maintained for the School Lunch Fund as a management tool for internal control purposes.

The appropriated budget is prepared by fund, function, and department. The District's department heads may make transfers of appropriations within a department. Transfers of appropriations exceeding $10,000 between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the departmental level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

4. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended June 30, 2026, there were no expenditures that exceeded appropriations.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget—During the year ended June 30, 2026, the District made significant budget transfers to cover unexpected teaching and general support costs and reclassified BAN principal payments to transfers out. The District also made a budget amendment of $1,184,861 for the voter approved purchases of school buses.

Final budget compared to actual results—The most significant differences between estimated revenues and actual revenues included changes within basic formula-state aid, use of money and property and charges for services. State aid was higher than expected primarily due to an increase in revenues from mobile sports wagering. Use of money and property was larger than expected due to interest earnings outperforming the District's expectations. Charges for services were higher than expected as tuition billed to other District's increased as a result of new requirements mandated by New York State.

The most significant difference between estimated expenditures and actual expenditures included employee benefits, programs for students with disabilities, teaching-regular schools, and pupil transportation. Employee benefit costs were less than expected due to health insurance and retirement system payments. Pupil transportation costs were less than anticipated as the District budgets conservatively to account for rate changes, unexpected changes in employee plans, and salary rate increases. Programs for pupils with handicapping conditions were less than expected due to the District budgeting conservatively for special education services provided by BOCES as unexpected costs may arise. Teaching-regular schools expenditures were less than anticipated as certain budgeted salaries were re-allocated to more appropriate expenditure codes.

SUPPLEMENTARY INFORMATION

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit—General Fund
Year Ended June 30, 2026

Change from Adopted Budget to Final Budget

Adopted budget 2025-2026	$ 40,076,768
Add: Prior year's encumbrances	248,461
Original budget	40,325,229
Budget revisions: Voter approved purchase of buses and equipment	1,184,861
Final budget 2025-2026	$ 41,510,090

Section 1318 of Real Property Tax Law Limit Calculation

2026-2027 voter approved expenditure budget	$ 39,921,020	
Maximum allowed (4% of 2026-2027 budget)		$ 1,596,841
General Fund fund balance subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance	$ 3,878,338	
Unassigned fund balance	1,596,841	
Total unrestricted fund balance		5,475,179
Less:		
Appropriated fund balance	$ 3,000,000	
Encumbrances included in assigned fund balance	878,338	
Total adjustments		3,878,338
General Fund fund balance subject to Section 1318 of Real Property Tax Law		$ 1,596,841
Actual percentage		4.00%

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

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Capital Project Expenditures
Year Ended June 30, 2026

Project Title	Original Appropriation	Revised Appropriation	Expenditures to Date: Prior Years	Expenditures to Date: Current Year	Total Project Expenditures	Unexpended Balance
Smart School Bond	$ 265,086	$ 560,016	$ -	$ 303,000	$ 303,000	$ 257,016
Capital Project 2024	19,300,000	19,300,000	855,990	3,291,694	4,147,684	15,152,316
Capital Outlay 2025-26	100,000	100,000	-	99,514	99,514	486
Totals	$ 19,665,086	$ 19,960,016	$ 855,990	$ 3,694,208	$ 4,550,198	$ 15,409,818

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets
June 30, 2026

Capital assets, net of accumulated depreciation/amortization		$ 41,888,881
Add:		
Unspent debt proceeds		5,605,871
Deduct:		
Serial bonds	$ (20,120,000)	
Unamortized premium on bonds payable	(1,602,687)	
Capital projects accounts payable	(1,171,946)	
Bond anticipation note payable	(3,531,000)	(26,425,633)
Net investment in capital assets		$ 21,069,119

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Drescher & Malecki
Certified Public Accountants

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
Eden Central School District, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eden Central School District, New York (the "District") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Brescher & Malecki LLP

October 14, 2026