AKRON CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2026

AKRON CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Akron Central School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

GAAP requires that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lyman & McCormick, LLP

October 2, 2026

Overview of the Financial Statements

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

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

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

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

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

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

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

Financial Summary and Detailed Analyses

Condensed Statement of Net Position	2026	2025	Change $	Change %
Current and other assets	$ 34,786,000	$ 26,644,000	$ 8,142,000	30.6%
Capital assets	70,817,000	56,214,000	14,603,000	26.0%
Total assets	105,603,000	82,858,000	22,745,000	27.5%
Deferred outflows of resources	5,975,000	5,919,000	56,000	0.9%
Long-term liabilities	15,957,000	17,648,000	(1,691,000)	(9.6%)
Other liabilities	26,440,000	5,180,000	21,260,000	410.4%
Total liabilities	42,397,000	22,828,000	19,569,000	85.7%
Deferred inflows of resources	5,991,000	4,736,000	1,255,000	26.5%
Net position				
Net investment in capital assets	42,837,000	45,007,000	(2,170,000)	(4.8%)
Restricted	17,793,000	15,359,000	2,434,000	15.8%
Unrestricted	2,560,000	847,000	1,713,000	202.2%
Total net position	$ 63,190,000	$ 61,213,000	$ 1,977,000	3.2%

Net position amounted to $63,190,000 and $61,213,000 as of June 30, 2026 and 2025, respectively. The largest portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, furniture and equipment, and right-to-use lease assets, less outstanding debt used to acquire those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The District's net position includes resources that are subject to external restrictions on how they may be used, which includes scholarship funds for students, the District's proportionate share of the New York State Teachers' Retirement System (TRS) net pension asset, and reserves set aside for specific purposes governed by statutory law and regulations. Such reserves include the retirement contribution reserve, restricted to fund contributions paid by the District for both State-wide retirement systems; the debt service reserve, which is set aside for the repayment of bonds issued to finance capital projects; and an employee benefit accrued liability reserve which must be used to pay employees' accumulated vacation and sick time upon retirement or other separation. Other restricted resources include the capital and workers' compensation reserves, which are similarly restricted for spending.

Total assets increased by $22,745,000 ($2,698,000 increase in 2025). Current and other assets increased by $8,142,000 and net capital assets increased by $14,603,000 (decrease of $396,000 and increase of $3,094,000, respectively, in 2025). The increase in current and other assets is primarily due to the increase in cash and investments of $4,298,000, an increase of receivables of $1,971,000, and a $1,820,000 increase in the District's proportionate share of the TRS net pension asset. The capital assets increase is the result of additions exceeding depreciation and amortization expense.

Long-term liabilities decreased by $1,691,000 ($488,000 decrease in 2025) due to the required principal repayments on bonds of $910,000 and decrease in the District's proportionate share of its New York State and Local Employees' Retirement System (ERS) net pension liability of $1,129,000, offset by an increase in compensated absences of $529,000. Other liabilities increased $21,260,000 ($1,025,000 increase in 2025) due to an increase of $2,787,000 in accounts payable due to timing of payments related to the District's capital project, an increase in accrued interest of $679,000 and an increase of $17,753,000 in bond anticipation notes.

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

Condensed Statement of Activities	2026	2025	Change $	Change %
Revenues				
Program revenues				
Charges for services	**$ 4,481,000**	$ 2,323,000	$ 2,158,000	92.9%
Operating and capital grants and contributions	**3,825,000**	3,960,000	(135,000)	(3.4%)
General revenues				
Real property taxes and tax items	**10,762,000**	10,550,000	212,000	2.0%
Sales tax	**1,568,000**	1,477,000	91,000	6.2%
State aid	**18,817,000**	20,744,000	(1,927,000)	(9.3%)
Miscellaneous	**1,372,000**	1,076,000	296,000	27.5%
Total revenue	**40,825,000**	40,130,000	695,000	1.7%
Expenses				
Instruction	**28,897,000**	27,862,000	1,035,000	3.7%
Support services				
General support	**5,006,000**	5,221,000	(215,000)	(4.1%)
Pupil transportation	**3,060,000**	2,664,000	396,000	14.9%
School food service	**884,000**	1,081,000	(197,000)	(18.2%)
Interest	**1,001,000**	258,000	743,000	288.0%
Total expenses	**38,848,000**	37,086,000	1,762,000	4.8%
Change in net position	**1,977,000**	3,044,000	(1,067,000)	(35.1%)
Net position – beginning	**61,213,000**	58,169,000	3,044,000	5.2%
Net position – ending	**$ 63,190,000**	$ 61,213,000	$ 1,977,000	3.2%

District revenues increased by $695,000 in 2026 (increase of $1,623,000 or 4.2% in 2025). Charges for services increased $2,158,000 (increase of $65,000 or 2.9% in 2025) due to Native American Tuition increases of $2,198,000 (increase of $144,000 or 7.0% in 2025). State aid decreased $1,927,000 (increase of $2,415,000 or 13.2% in 2025) primarily due to a decrease in general building aid and Native American building aid.

Total expenses increased by $1,762,000 compared to an increase of $206,000 or 0.6% in 2025. Payroll expenses increased $783,000 or 4.5% due to salary increases as required by collective bargaining agreements. Health insurance increased $291,000 due to an increase in plan premiums. Interest expense increased $743,000 due to the $17,753,000 increase in bond anticipation notes.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds decreased from $19,548,000 to $5,387,000 as described below:

- On an overall basis, expenses of $55,580,000 exceeded revenues and other financing sources of $41,419,000 resulting in a decrease of $14,161,000 in fund balances.
- The general fund experienced an increase in fund balance of $1,083,000 ($5,476,000 decrease in 2025) for the following reasons:
  - Operating transfers of $3,413,000 ($11,046,000 in 2025) were made to fund capital project expenditures and debt service payments.
  - Revenues increased $630,000 ($2,066,000 increase in 2025) primarily due to an increase Native American tuition offset by a decrease in state aid as discussed above.
  - Expenditures increased $1,704,000 ($1,559,000 increase in 2025) primarily due to increases in employee benefits of $584,000 and payroll expenditures of $813,000. Payroll increases were due to rate increases required by collective bargaining agreements.
- Spending across all governmental funds increased by $11,685,000 or 26.6% ($5,011,000 or 12.9% increase in 2025) primarily due to an increase in capital expenditures of $11,529,000 from 2025, and the increases in general fund expenditures as discussed above.

Capital Assets

	2026	2025
Land and land improvements	$ 9,437,000	$ 5,292,000
Buildings and improvements	86,961,000	75,047,000
Furniture, equipment, and vehicles	9,491,000	9,208,000
Construction in progress	4,323,000	2,999,000
	110,212,000	92,546,000
Accumulated depreciation	(39,759,000)	(36,887,000)
	70,453,000	55,659,000
Right-to-use lease equipment, net	364,000	555,000
	$ 70,817,000	$ 56,214,000

The increase in capital assets in the current year is a result of current year additions of $18,219,000 offset by depreciation expense, amortization expense, and disposals of $3,616,000.

Long-Term Financing

At June 30, 2026, the District had $8,405,000 in bonds outstanding, with $950,000 due within one year ($9,315,000 outstanding at June 30, 2025). Additional information on the District's long-term financing can be found in the Long-Term Liabilities note to the financial statements.

Currently Known Facts, Decisions, and Conditions

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

The District's 2027 budget increased to $40,857,000, an increase of $1,812,000 or 4.6%. The budget includes a capital outlay project to replace our pool timing system and scoreboard. By utilizing district reserves and leveraging approximately 82.5% State reimbursement, we are able to responsibly maintain our facilities while minimizing impact on taxpayers. The increase is expected to be funded $827,000 from existing fund balance and reserves, $718,000 from State aid, and by the real property tax levy increase of $267,000 or 2.5%. See the District's budget newsletter and property tax report card available on the District's website for additional information.

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

Contacting the District's Financial Management

This financial report is designed to provide District residents, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances, and to show the District's accountability for the money it receives. For more detailed information, questions may be directed to Paul Kowalski, School Business Executive (716-542-5015).

Statement of Net Position

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

	2026	2025
Assets		
Cash	**$ 13,210,717**	$ 8,855,670
Investments	**12,038,334**	12,094,012
Due from other governments	**736,777**	847,906
State and federal aid and other receivables	**4,856,931**	2,885,551
Inventory and prepaid expenses	**233,360**	70,841
Net pension asset	**3,710,374**	1,889,876
Capital assets (Note 5)	**111,139,736**	93,528,468
Accumulated depreciation and amortization	**(40,322,819)**	(37,314,744)
Total assets	**105,603,410**	82,857,580
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	**5,688,365**	5,606,220
Deferred outflows of resources related to OPEB	**286,374**	313,232
Total deferred outflows of resources	**5,974,739**	5,919,452
Liabilities		
Accounts payable	**4,952,567**	2,168,593
Accrued liabilities	**751,000**	72,000
Due to retirement systems	**1,581,706**	1,530,640
Due to fiduciary fund	**3,402**	10,629
Bond anticipation notes	**19,151,491**	1,398,203
Long-term liabilities		
Due within one year		
Bonds	**950,000**	910,000
Compensated absences	**700,000**	503,000
Due beyond one year		
Bonds and related premiums	**7,878,212**	8,898,747
Compensated absences	**3,966,000**	3,634,000
Net pension liability	**541,321**	1,670,297
Total OPEB liability	**1,921,874**	2,032,257
Total liabilities	**42,397,573**	22,828,366
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	**4,017,015**	2,456,651
Deferred inflows of resources related to OPEB	**1,973,620**	2,278,960
Total deferred inflows of resources	**5,990,635**	4,735,611
Net Position		
Net investment in capital assets	**42,837,214**	45,006,774
Restricted	**17,793,138**	15,358,855
Unrestricted	**2,559,589**	847,426
Total net position	**$ 63,189,941**	$ 61,213,055

See accompanying notes.

Statement of Activities

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue: 2026	Net (Expense) Revenue: 2025
Governmental activities						
General support	$ 5,005,956	$ -	$ 1,268	$ -	**$ (5,004,688)**	$ (5,221,146)
Instruction	28,897,066	4,396,210	2,821,955	89,928	**(21,588,973)**	(22,643,720)
Pupil transportation	3,059,894	-	-	-	**(3,059,894)**	(2,664,199)
Interest expense	1,000,447	-	-	-	**(1,000,447)**	(258,045)
School food service	884,408	84,915	1,001,875	-	**202,382**	(16,068)
	$ 38,847,771	$ 4,481,125	$ 3,825,098	$ 89,928	**(30,451,620)**	(30,803,178)
General revenues						
Real property taxes and tax items					**10,761,681**	10,549,746
Sales taxes					**1,568,105**	1,476,963
State aid					**18,726,934**	20,744,360
Miscellaneous					**1,371,786**	1,076,114
Total general revenues					**32,428,506**	33,847,183
Change in net position					**1,976,886**	3,044,005
Net position - beginning					**61,213,055**	58,169,050
Net position - ending					**$ 63,189,941**	$ 61,213,055

See accompanying notes.

Balance Sheet - Governmental Funds

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

	General	Capital Projects	Special Aid	Debt Service	Food Service	Miscellaneous Special Revenue	Total Governmental Funds 2026	Total Governmental Funds 2025
Assets								
Cash	$ 11,836,504	$ 640	$ 49,397	$ 645,290	$ 450,658	$ 228,228	**$ 13,210,717**	$ 8,855,670
Investments	12,038,334	-	-	-	-	-	**12,038,334**	12,094,012
Due from other governments	736,777	-	-	-	-	-	**736,777**	847,906
State and federal aid and other receivables	2,972,158	89,928	1,675,315	-	119,530	-	**4,856,931**	2,885,551
Due from other funds, net	-	6,402,112	-	-	-	-	**6,402,112**	1,357,522
Inventory and prepaid expenses	30,550	-	-	-	202,810	-	**233,360**	70,841
Total assets	$ 27,614,323	$ 6,492,680	$ 1,724,712	$ 645,290	$ 772,998	$ 228,228	**$ 37,478,231**	$ 26,111,502
Liabilities								
Accounts payable	$ 1,216,296	$ 3,684,729	$ 29,740	$ -	$ 17,032	$ 4,770	**$ 4,952,567**	$ 2,168,593
Due to retirement systems	1,581,706	-	-	-	-	-	**1,581,706**	1,530,640
Due to other funds, net	4,608,895	-	1,694,972	14,827	83,488	3,332	**6,405,514**	1,368,151
Bond anticipation notes	-	19,151,491	-	-	-	-	**19,151,491**	1,398,203
Total liabilities	7,406,897	22,836,220	1,724,712	14,827	100,520	8,102	**32,091,278**	6,465,587
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	-	-	**-**	97,842
Fund Balances								
Nonspendable	30,550	-	-	-	202,810	-	**233,360**	70,841
Restricted	13,232,175	-	-	630,463	-	220,126	**14,082,764**	13,468,979
Assigned	3,516,814	-	-	-	469,668	-	**3,986,482**	3,302,984
Unassigned (deficit)	3,427,887	(16,343,540)	-	-	-	-	**(12,915,653)**	2,705,269
Total fund balances (deficit)	20,207,426	(16,343,540)	-	630,463	672,478	220,126	**5,386,953**	19,548,073
Total liabilities, deferred inflows of resources, and fund balances	$ 27,614,323	$ 6,492,680	$ 1,724,712	$ 645,290	$ 772,998	$ 228,228	**$ 37,478,231**	$ 26,111,502

See accompanying notes.

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

June 30, 2026

Total fund balances - governmental funds		$ 5,386,953
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds.		70,816,917
The District's proportionate share of net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized on the government-wide financial statements and include:		
Net pension asset	3,710,374	
Deferred outflows of resources related to pensions	5,688,365	
Net pension liability	(541,321)	
Deferred inflows of resources related to pensions	(4,017,015)	4,840,403
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized on the government-wide financial statements and include:		
Deferred outflows of resources related to OPEB	286,374	
Total OPEB liability	(1,921,874)	
Deferred inflows of resources related to OPEB	(1,973,620)	(3,609,120)
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Accrued interest	(751,000)	
Bonds and related premiums	(8,828,212)	
Compensated absences	(4,666,000)	(14,245,212)
Net position - governmental activities		$ 63,189,941

See accompanying notes.

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

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

	General	Capital Projects	Special Aid	Debt Service	Food Service	Miscellaneous Special Revenue	Total Governmental Funds 2026	Total Governmental Funds 2025
Revenues								
Real property taxes	$ 9,894,032	$ -	$ -	$ -	$ -	$ -	**$ 9,894,032**	$ 9,639,245
Real property tax items	867,649	-	-	-	-	-	**867,649**	910,501
Nonproperty tax items	1,568,105	-	-	-	-	-	**1,568,105**	1,476,963
Charges for services	4,396,210	-	-	-	-	-	**4,396,210**	2,223,302
Use of money and property	650,872	-	-	16,385	4,560	3,471	**675,288**	659,800
Sale of property and compensation for loss	182,487	-	-	-	-	-	**182,487**	98,919
Miscellaneous	362,423	-	-	-	5,833	46,104	**414,360**	353,608
State sources	18,726,934	187,770	1,068,259	-	414,576	-	**20,397,539**	22,033,646
Federal sources	981,254	-	773,710	-	587,299	-	**2,342,263**	2,572,614
Sales	-	-	-	-	79,082	-	**79,082**	89,648
Total revenues	37,629,966	187,770	1,841,969	16,385	1,091,350	49,575	**40,817,015**	40,058,246
Expenditures								
General support	4,091,980	-	-	-	326,406	49,892	**4,468,278**	4,533,600
Instruction	19,162,008	-	1,398,411	-	-	-	**20,560,419**	19,889,121
Pupil transportation	1,747,738	533,021	513,726	-	-	-	**2,794,485**	1,869,734
Employee benefits	8,132,474	-	-	-	159,593	-	**8,292,067**	7,742,211
Debt service								
Principal	-	-	-	1,354,560	-	-	**1,354,560**	3,048,648
Interest	-	-	-	391,982	-	-	**391,982**	506,864
Cost of sales	-	-	-	-	334,521	-	**334,521**	449,851
Capital outlay	-	17,382,554	-	-	880	-	**17,383,434**	5,854,709
Total expenditures	33,134,200	17,915,575	1,912,137	1,746,542	821,400	49,892	**55,579,746**	43,894,738
Excess revenues (expenditures)	4,495,766	(17,727,805)	(70,168)	(1,730,157)	269,950	(317)	**(14,762,731)**	(3,836,492)
Other financing sources (uses)								
Operating transfers	(3,412,960)	1,596,250	70,168	1,746,542	-	-	**-**	-
BANs redeemed from appropriations	-	444,560	-	-	-	-	**444,560**	418,648
BAN premiums	-	-	-	157,051	-	-	**157,051**	8,860
Total other financing sources (uses)	(3,412,960)	2,040,810	70,168	1,903,593	-	-	**601,611**	427,508
Net change in fund balances	1,082,806	(15,686,995)	-	173,436	269,950	(317)	**(14,161,120)**	(3,408,984)
Fund balances (deficit) - beginning	19,124,620	(656,545)	-	457,027	402,528	220,443	**19,548,073**	22,957,057
Fund balances (deficit) - ending	$ 20,207,426	$ (16,343,540)	$ -	$ 630,463	$ 672,478	$ 220,126	**$ 5,386,953**	$ 19,548,073

See accompanying notes.

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

For the year ended June 30, 2026

Total net change in fund balances - governmental funds		$ (14,161,120)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and and amortization expense. This is the amount by which capital outlays exceed depreciation and amortization expense and disposals.		14,603,193
Pension revenue (expense) is recognized when paid on the statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:		
Current year TRS and ERS contributions	1,951,041	
Current year ERS accrued contribution	205,121	
Prior year ERS accrued contribution	(165,601)	
Current year TRS net pension revenue (expense)	210,438	
Current year ERS net pension revenue (expense)	(729,744)	1,471,255
OPEB revenue (expense) is recognized when paid on the statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.		388,865
Payments of long-term liabilities are reported as expenditures in the governmental funds and as a reduction of debt in the statement of net position.		910,000
Revenue is recorded to the extent received within ninety days of year end for governmental funds, but on the statement of activities, revenue is recognized when earned.		(97,842)
In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. These differences are:		
Interest	(679,000)	
Amortization of bond premiums	70,535	
Compensated absences	(529,000)	(1,137,465)
Change in net position - governmental activities		$ 1,976,886

See accompanying notes.

AKRON CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position - Custodial Fund

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

	2026	2025
Assets		
Cash	**$ 97,732**	$ 90,696
Due from governmental fund	**3,402**	10,629
Total assets	**101,134**	101,325
Liabilities		
Accounts payable	**1,905**	6,881
Net Position		
Extraclassroom activity balances	**$ 99,229**	$ 94,444

* * *

AKRON CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position - Custodial Fund

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

	2026	2025
Additions		
Student activity additions	**$ 133,180**	$ 124,478
Deductions		
Student activity deductions	**128,395**	101,998
Change in net position	**4,785**	22,480
Net position - beginning	**94,444**	71,964
Net position - ending	**$ 99,229**	$ 94,444

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

Joint Venture

The District is one of 19 participating school districts in the Erie 1 Board of Cooperative Educational Services (BOCES). Formed under §1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES.

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

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

During the year ended June 30, 2026, the District was billed $3,715,000 for BOCES administrative and program costs and recognized $174,000 in revenue as a refund from prior year expenditures. Audited financial statements are available from BOCES' administrative offices.

Basis of Presentation

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

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

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

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

The District reports the following major funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

- *Special aid fund.* This special revenue fund is used to account for the proceeds of specific revenue sources – other than expendable trusts or major capital projects – such as federal, state, and local grants and awards that are restricted or committed to expenditure for specific purposes. Either governments or other third parties providing the grant funds impose these restrictions.
- *Debt service fund.* This is used to account for resources that are restricted to expenditure for principal and interest.
- *Food service fund.* This is a special revenue fund whose specific revenue sources, including free and reduced meal subsidies received from state and federal programs, are assigned to the operation of the District's breakfast and lunch programs.
- *Miscellaneous special revenue fund*. This is a special revenue fund used to account for resources that are restricted to student scholarships. Donations are made by third parties and District personnel manage the funds and assist with determination of scholarship recipients.

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

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

Basis of Accounting and Measurement Focus

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

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

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

Subsequent Events

The District has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 2, 2026, the date the financial statements were available to be issued.

Use of Estimates

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

Real Property Taxes

The District levies real property taxes no later than September 1. For the year ended June 30, 2026, the tax lien was issued on August 20, 2025 for collection from September 15 through November 15, 2025 for Niagara and Genesee Counties and November 30, 2025 for Erie County. Thereafter, uncollected amounts became the responsibility of the respective counties and were submitted to the District by April 1st of the following year as required by law.

Budget Process, Amendments, and Encumbrances

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

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

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

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

Cash and Investments

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

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

Inventory

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

Capital Assets

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

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

	Capitalization Policy	Estimated Useful Life in Years
Land improvements	$ 5,000	30
Buildings and improvements	$ 10,000	50
Vehicles	$ 1,000	8
Furniture and equipment	$ 1,000	5-20

Bond Premiums

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

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid and unused accumulated sick and vacation time that is more likely to be used, paid, or settled by noncash means prior to or at termination of employment. Such accumulated sick time is valued based on a combination of the applicable employees' rates of pay at year end and contractual rates of payout at retirement, based on estimates of amounts to be used for each. The liability also includes an estimate of leave that is not attributable to a specific employee but rather is available for use by all employees within certain bargaining units and is valued at the estimated pay rates of all eligible employees. Year to year changes in the liability are presented as a net increase or decrease (Note 7).

Pensions

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS) (the Systems), as mandated by State law. The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide financial statements, the District recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position (Note 8) on the same basis as reported by the respective defined benefit pension plans.

Other Postemployment Benefits (OPEB)

On the government-wide financial statements, the total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense for the District's defined benefit healthcare plan (Note 9) have been measured on the same basis as reported by the plan. Benefit payments are due and payable in accordance with benefit terms.

Risk Management

The District participates in the New York State Public Schools Statewide Workers' Compensation Self-Insurance Trust and the NY44 Health Benefits Plan Trust, which are public entity risk pools. These plans are designed to provide workers' compensation and health insurance coverage for participating entities (Note 10).

Equity Classifications

Government-Wide Financial Statements

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

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

Governmental Fund Financial Statements

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

Fund balance is categorized as follows:

Nonspendable:		
Inventory and prepaid expenses	$	233,360
Restricted:		
Capital		4,878,224
Debt service		630,463
Employee benefit accrued liability		1,143,392
Retirement contribution		6,250,082
Workers' compensation		960,477
Scholarships		220,126
Assigned:		
Designated for subsequent year		3,469,878
Encumbrances		46,936
Food service		469,668
Unassigned (deficit)		(12,915,653)
	$	5,386,953

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

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

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

- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. In 2017 and 2023, voters approved capital reserves totaling $17,500,000, which have been funded $11,900,000. Amounts remaining and available for use in the general fund at June 30, 2026 total $4,878,224.
- *Debt service* – is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond premiums), and remaining bond proceeds not needed for their original purpose as required under §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.
- *Retirement contribution* – is used to finance retirement contributions payable to TRS and ERS. Funding specific for TRS is limited to 2% annually of eligible salaries up to a maximum reserve of 10% of eligible salaries. At June 30, 2026, the retirement contribution reserve includes $1,229,005 for TRS and $5,021,077 for ERS.
- *Workers' compensation* – is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this program.

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

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

Interfund Balances

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

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

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

2. Stewardship and Compliance

The District's unassigned fund balance in the general fund exceeds 4% of the 2027 budget, which is a limitation imposed by New York State Real Property Tax Law §1318.

The capital projects fund's deficit fund balance of $16,343,540 will be funded when bond anticipation notes are redeemed from subsequent budget appropriations or converted to permanent financing.

3. Investments

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

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

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

4. Interfund Transactions – Fund Financial Statements

Fund	Receivable	Payable	Transfers In	Transfers Out
Governmental:				
General	$ 1,863,385	$ 6,472,280	$ -	$ 3,412,960
Capital projects	6,402,112	-	1,596,250	-
Special aid	70,168	1,765,140	70,168	-
Debt service	-	14,827	1,746,542	-
Food service	-	83,488	-	-
Miscellaneous special revenue	-	3,332	-	-
Fiduciary:				
Custodial	3,402	-	-	-
	$ 8,339,067	$ 8,339,067	$ 3,412,960	$ 3,412,960

The District's general fund provides cash flow to the various other funds; these amounts are repaid in the subsequent year when funds are received from the State after final expenditure reports have been submitted and approved or when permanent financing is obtained. The general fund made permanent transfers to the capital projects fund to finance a capital project, the special aid fund to cover its share of costs related to the summer school handicap program, and to the debt service fund for the District's annual debt payments.

5. Capital Assets

	July 1, 2025	Increases	Retirements/ Reclassifications	June 30, 2026
Non-depreciable and non-amortizable capital assets:				
Land	$ 217,389	$ -	$ -	$ 217,389
Construction in process	2,999,326	17,382,554	(16,059,324)	4,322,556
Total non-depreciable and non-amortizable capital assets	3,216,715	17,382,554	(16,059,324)	4,539,945
Depreciable capital assets:				
Land improvements	5,074,320	-	4,145,755	9,220,075
Buildings and improvements	75,047,206	-	11,913,568	86,960,774
Vehicles	3,841,844	656,307	(473,009)	4,025,142
Furniture and equipment	5,365,936	174,654	(74,297)	5,466,293
Total depreciable assets	89,329,306	830,961	15,512,017	105,672,284
Accumulated depreciation:				
Land improvements	(2,881,037)	(281,281)	-	(3,162,318)
Buildings and improvements	(28,402,864)	(2,155,142)	-	(30,558,006)
Vehicles	(1,834,248)	(426,373)	437,408	(1,823,213)
Furniture and equipment	(3,768,699)	(505,376)	58,332	(4,215,743)
Total accumulated depreciation	(36,886,848)	(3,368,172)	495,740	(39,759,280)
Total depreciable assets, net	52,442,458	(2,537,211)	16,007,757	65,913,004
Right-to-use lease assets:				
Equipment	982,447	5,914	(60,854)	927,507
Accumulated amortization	(427,896)	(196,497)	60,854	(563,539)
Total right-to-use assets, net	554,551	(190,583)	-	363,968
	$ 56,213,724	$ 14,654,760	$ (51,567)	$ 70,816,917

Depreciation and amortization expense has been allocated to the following functions: general support $342,872, instruction 2,869,149, pupil transportation $293,015, and school food service $59,633.

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

Capital assets, net of accumulated depreciation and amortization	$ 70,816,917
Bond anticipation notes	(19,151,491)
Bonds and related premiums	(8,828,212)
	$ 42,837,214

6. Short-Term Debt

Bond anticipation notes (BANs) outstanding at June 30, 2026 amounted to $19,151,491 ($1,398,203 as of June 30, 2025) and carry interest at 4.00% (4.50% as of June 30, 2025). In 2026, BANs of $444,560 were redeemed from appropriations and $19,151,491 were issued to provide $18,197,848 of additional capital project funding and to refinance $953,643 of existing BANs.

Subsequent to year end, in July 2026, the District issued BANs of $20,793,252 to finance ongoing capital projects and to refinance a portion of existing BANs. In August 2026, the District issued BANs of $1,592,116 to finance bus purchases and to refinance a portion of existing BANs.

7. Long-Term Liabilities

	July 1, 2025	Increases	Decreases	June 30, 2026	Amount Due in One Year
Serial bonds	$ 9,315,000	$ -	$ 910,000	$ 8,405,000	$ 950,000
Bond premiums	493,747	-	70,535	423,212	-
Compensated absences	4,137,000	529,000	-	4,666,000	700,000
	$ 13,945,747	$ 529,000	$ 980,535	$ 13,494,212	$ 1,650,000

Existing Obligations

Description	Maturity	Rate	Balance
DASNY bonds 2017	June 2032	3.0%-5.0%	$ 2,975,000
Serial bonds 2022	December 2035	2.5%-3.0%	5,430,000
			$ 8,405,000

Debt Service Requirements

Years ending June 30,	Principal	Interest
2027	$ 950,000	$ 295,425
2028	980,000	260,050
2029	1,015,000	223,425
2030	1,050,000	185,300
2031	1,090,000	144,275
2032-2036	3,320,000	242,375
	$ 8,405,000	$ 1,350,850

8. Pension Plans

Plan Descriptions

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

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

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

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 9.59% for 2026. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2026, these rates ranged from 12.8% - 19.6%.

The amount outstanding and payable to TRS for the year ended June 30, 2026 was $1,230,383. A liability to ERS of $205,121 is accrued based on the District's legally required contribution for employee services rendered from April 1 through June 30, 2026.

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

At June 30, 2026, the District reported an asset of $3,710,374 for its proportionate share of the TRS net pension position and a liability of $541,321 for its proportionate share of the ERS net pension position.

The TRS total pension liability at the June 30, 2025 measurement date was determined by an actuarial valuation as of June 30, 2024, with update procedures applied to roll forward the total pension liability to June 30, 2025. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2025, the District's proportion was 0.062664%, a decrease of 0.000678 from its proportion measured as of June 30, 2024.

The ERS total pension liability at the March 31, 2026 measurement date was determined by an actuarial valuation as of April 1, 2025, with update procedures applied to roll forward the total pension liability to March 31, 2026. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At March 31, 2026, the District's proportion was 0.0095949%, a decrease of 0.0001469 from its proportion measured as of March 31, 2025.

For the year ended June 30, 2026, the District recognized net pension expense of $519,306 on the government-wide financial statements (TRS revenue of $210,438 and ERS expense of $729,744). At June 30, 2026, the District reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,945,063	$ -	$ 309,776	$ -
Changes of assumptions	1,468,822	(40,004)	92,921	-
Net difference between projected and actual earnings on pension plan investments	-	(2,897,793)	-	(970,618)
Changes in proportion and differences between contributions and proportionate share of contributions	63,496	(65,020)	372,783	(43,580)
District contributions subsequent to the measurement date	1,230,383	-	205,121	-
	$ 4,707,764	$ (3,002,817)	$ 980,601	$ (1,014,198)

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

Years ending June 30,	TRS	ERS
2027	$ 1,855,884	$ 327,948
2028	(793,283)	(244,606)
2029	(832,747)	(139,447)
2030	(159,562)	(182,613)
2031	333,767	-
Thereafter	70,505	-
	$ 474,564	$ (238,718)

Actuarial Assumptions

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

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

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

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

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

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

Investment Asset Allocation

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

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

Discount Rate

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

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

	1.0% Decrease	At Current Discount Rate	1.0% Increase
District's proportionate share of the TRS net pension asset (liability)	$ (7,129,531)	$ 3,710,374	$ 12,831,591
District's proportionate share of the ERS net pension asset (liability)	$ (3,697,073)	$ (541,321)	$ 2,097,028

9. OPEB

Plan Description

The District maintains a single employer defined benefit healthcare plan (the Plan) providing for continuation of medical insurance benefits for certain District retirees and their spouses. Benefit provisions are based on individual contracts with the District, as negotiated from time to time. The Plan provides an implicit rate subsidy for retirees that choose to remain on the District's healthcare plan subsequent to retirement at their own expense. Eligibility is based on covered employees who retire from the District and have met vesting requirements. The Plan has no assets, does not issue financial statements, and is not a trust.

At June 30, 2025, employees covered by the Plan include:

Active employees	211
Inactive employees or beneficiaries currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	-
	231

Total OPEB Liability

The District's total OPEB liability of $1,921,874 was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2025.

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

Healthcare cost trend rates – based on a review of published national trend survey data for short-term rates and the Society of Actuaries Getzen Long-Term Healthcare Cost Trends Model v2025_1b for long-term rates, initially 7.75% for pre-65 and 5.0% for post-65, declining to 4.04% in 2075
Salary increases – 3.00%
Mortality – Pub-2016 sex distinct mortality tables for employees and healthy annuitants adjusted for mortality improvements with Scale MP-2021 mortality improvement scale on a fully generational basis
Discount rate – 4.71% based on the Fidelity Municipal GO AA 20-Year Bond rate as of the measurement date
Inflation rate – 2.50%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2025	$ (2,032,257)
Changes for the year:	
Service cost	(102,574)
Interest	(82,727)
Changes of benefit terms	-
Differences between expected and actual experience	(13,207)
Changes of assumptions or other inputs	206,821
Benefit payments	102,070
Net changes	110,383
Balance at June 30, 2026	$ (1,921,874)

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

	1.0% Decrease (3.71%)	Discount Rate (4.71%)	1.0% Increase (5.71%)
Total OPEB liability	$ (2,079,615)	$ (1,921,874)	$ (1,775,777)

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

	1.0% Decrease (6.75% to 3.04%)	Healthcare Cost Trend Rate (7.75% to 4.04%)	1.0% Increase (8.75% to 5.04%)
Total OPEB liability	$ (1,730,969)	$ (1,921,874)	$ (2,143,210)

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

For the year ended June 30, 2026, the District recognized OPEB revenue of $289,730. At June 30, 2026, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,947	$ (1,272,477)
Changes of assumptions or other inputs	175,292	(701,143)
Benefit paid subsequent to the measurement date	99,135	-
	$ 286,374	$ (1,973,620)

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

Years ending June 30,	
2027	$ (462,636)
2028	(422,128)
2029	(403,947)
2030	(237,777)
2031	(142,448)
Thereafter	(117,445)
	$ (1,786,381)

10. Risk Management

General Liability

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

Workers' Compensation

The District participates in the New York State Public Schools Statewide Workers' Compensation Self-Insurance Trust (the Trust). The Plan administers a workers' compensation insurance fund pursuant to Article 5 of the Workers' Compensation Law to finance the liability and risk related to workers' compensation claims and to lower the costs of coverage to the participating members. The Plan includes 17 members as of June 30, 2025 (the most recent information available).

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

The Plan has published its own financial report for the year ended June 30, 2026, which can be obtained from New York State Public Schools Statewide Workers' Compensation Self-Insurance Trust, P.O. Box 7657, Garden City, New York 11530.

Health Insurance

The District participates in the NY44 Health Benefits Plan Trust (the Plan) for certain employee groups. The Plan has been established to administer a health insurance program to lower the costs of such coverage to the 17 participating members as of June 30, 2025 (the most recent information available).

The District has transferred all risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Refunds are not made, nor additional assessments charged, other than the annual premium equivalents. If the Plan's assets were to be exhausted, members would be equally responsible for the remaining liabilities.

The Plan has published its own financial report for the year ended June 30, 2025, which can be obtained from Erie 1 BOCES, 355 Harlem Road, West Seneca, New York 14224.

11. Commitments and Contingencies

Grants

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

Litigation

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

Construction Commitments

The District has entered into contracts with various construction companies for its outstanding capital projects. District voters approved spending up to $29,830,000 for the 2023 Capital Improvement Project and $24,307,000 has been spent through June 30, 2026.

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

For the year ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over/(Under)	Actual (Budgetary		Variance with Final Budget Over/(Under)	
	Original	Final	Original Budget	Basis)	Encumbrances	Actual	
Revenues							
Local sources							
Real property taxes	$ 9,402,695	$ 9,402,695	$ -	**$ 9,894,032**		$ 491,337	
Real property tax items	1,355,033	1,355,033	-	**867,649**		(487,384)	
Nonproperty tax items	1,400,000	1,400,000	-	**1,568,105**		168,105	
Charges for services	2,075,000	2,075,000	-	**4,396,210**		2,321,210	[1]
Use of money and property	600,000	600,000	-	**650,872**		50,872	
Sale of property and compensation for loss	-	130,809	130,809	**182,487**		51,678	
Miscellaneous	223,417	223,417	-	**362,423**		139,006	
State sources	18,627,617	18,627,617	-	**18,726,934**		99,317	
Federal sources	975,000	975,000	-	**981,254**		6,254	
Total revenues	34,658,762	34,789,571	130,809	**37,629,966**		2,840,395	
Expenditures							
General support							
Board of education	47,119	45,561	(1,558)	**29,303**	24	(16,234)	
Central administration	288,589	290,647	2,058	**281,024**	-	(9,623)	
Finance	616,767	651,269	34,502	**556,395**	-	(94,874)	
Staff	248,379	328,379	80,000	**223,529**	-	(104,850)	
Central services	2,918,486	2,941,547	23,061	**2,716,770**	11,248	(213,529)	
Special items	288,000	299,969	11,969	**284,959**	-	(15,010)	
Instruction							
Instruction, administration, and improvement	1,621,199	1,634,925	13,726	**1,579,803**	3,088	(52,034)	
Teaching - regular school	9,255,570	9,378,614	123,044	**9,237,219**	519	(140,876)	
Programs for children with handicapping conditions	5,221,127	5,221,127	-	**4,486,812**	27,438	(706,877)	
Occupational education	825,000	825,000	-	**790,354**	-	(34,646)	
Teaching - special schools	114,832	114,832	-	**71,714**	-	(43,118)	
Instructional media	1,397,785	1,285,298	(112,487)	**1,161,449**	-	(123,849)	
Pupil services	2,073,638	2,087,921	14,283	**1,834,657**	4,619	(248,645)	
Pupil transportation	1,920,349	2,054,028	133,679	**1,747,738**	-	(306,290)	
Employee benefits	8,762,060	8,570,592	(191,468)	**8,132,474**	-	(438,118)	
Total expenditures	35,598,900	35,729,709	130,809	**33,134,200**	46,936	(2,548,573)	
Excess revenues (expenditures)	(940,138)	(940,138)	-	**4,495,766**	(46,936)	5,388,968	
Other financing sources (uses)							
Operating transfers out	(3,477,159)	(3,477,159)	-	**(3,412,960)**		(64,199)	
Appropriated fund balance, reserves, and carryover encumbrances	4,417,297	4,417,297	-	**-**		(4,417,297)	[2]
Total other financing sources (uses)	940,138	940,138	-	**(3,412,960)**		(4,353,098)	
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	$ -	**$ 1,082,806**	$ (46,936)	$ 1,035,870	

[1] Charges for services revenue was higher than the final budget as the District received additional Native American Tuition revenue as rates were finalized for the prior year. Additionally, there was an increase in the 2026 Native American Tuition interim rates and an overall increase in students eligible for Native American Tuition.

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

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

As of the measurement date of June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension position	0.062664%	0.063342%	0.064443%	0.064523%	0.062806%	0.063031%	0.060446%	0.062535%	0.061311%	0.061714%
District's proportionate share of the net pension asset (liability)	$ (3,710,374)	$ (1,889,876)	$ (736,959)	$ (1,238,128)	$ 10,883,657	$ (1,741,716)	$ 1,570,684	$ 1,130,790	$ 466,021	$ (660,985)
District's covered payroll	$ 12,304,085	$ 12,094,221	$ 11,902,468	$ 11,432,602	$ 10,660,168	$10,698,792	$10,603,390	$10,174,061	$ 9,715,708	$ 9,338,929
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(30.16%)	(15.63%)	(6.19%)	(10.83%)	102.10%	(16.28%)	14.81%	11.11%	4.80%	(7.08%)
Plan fiduciary net position as a percentage of the total pension liability	103.99%	102.09%	99.17%	98.57%	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%
The following is a summary of changes of assumptions:										
Inflation	2.5%	2.4%	2.4%	2.4%	2.4%	2.2%	2.2%	2.25%	2.5%	2.5%
Salary increases	2.04%-5.80%	1.95%-5.18%	1.95%-5.18%	1.95%-5.18%	1.95%-5.18%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%
Cost of living adjustments	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%
Investment rate of return	6.95%	6.95%	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%
Discount rate	6.95%	6.95%	6.95%	6.95%	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014

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

For the years ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 1,230,383	$ 1,243,943	$ 1,180,396	$ 1,224,764	$ 1,120,395	$ 1,015,914	$ 947,913	$ 1,126,080	$ 997,058	$ 1,138,681
Contribution in relation to the contractually required contribution	(1,230,383)	(1,243,943)	(1,180,396)	(1,224,764)	(1,120,395)	(1,015,914)	(947,913)	(1,126,080)	(997,058)	(1,138,681)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 12,829,854	$ 12,304,085	$ 12,094,221	$ 11,902,468	$ 11,432,602	$ 10,660,168	$ 10,698,792	$ 10,603,390	$ 10,174,061	$ 9,715,708
Contributions as a percentage of covered payroll	9.59%	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%

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

As of the measurement date of March 31,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net pension position	0.0095949%	0.0097418%	0.0101070%	0.0088409%	0.0092424%	0.0086120%	0.0093402%	0.0100266%	0.0097210%	0.0095773%
District's proportionate share of the net pension asset (liability)	$ (541,321)	$ (1,670,297)	$ (1,488,164)	$ (1,895,840)	$ 755,526	$ (8,575)	$ (2,473,348)	$ (710,415)	$ (313,740)	$ (899,909)
District's covered payroll	$ 4,413,227	$ 4,279,809	$ 3,991,035	$ 3,284,259	$ 3,131,859	$ 3,330,779	$ 3,238,510	$ 3,278,940	$ 3,072,177	$ 2,922,268
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(12.27%)	(39.03%)	(37.29%)	(57.73%)	24.12%	(0.26%)	(76.37%)	(21.67%)	(10.21%)	(30.79%)
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%
The following is a summary of changes of assumptions:										
Inflation	2.9%	2.9%	2.9%	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%
Salary increases	5.2%	4.3%	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%
Cost of living adjustments	1.5%	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014

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

For the years ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 720,658	$ 640,633	$ 509,836	$ 377,368	$ 497,498	$ 478,728	$ 465,336	$ 492,714	$ 467,897	$ 446,621
Contribution in relation to the contractually required contribution	(720,658)	(640,633)	(509,836)	(377,368)	(497,498)	(478,728)	(465,336)	(492,714)	(467,897)	(446,621)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,413,227	$ 4,279,809	$ 3,991,035	$ 3,284,259	$ 3,131,859	$ 3,330,779	$ 3,238,510	$ 3,278,940	$ 3,072,177	$ 2,922,268
Contributions as a percentage of covered payroll	16.33%	14.97%	12.77%	11.49%	15.89%	14.37%	14.37%	15.03%	15.23%	15.28%

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

For the years ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability - beginning	$ (2,032,257)	$ (1,912,044)	$ (2,066,748)	$ (2,057,773)	$ (3,036,866)	$ (3,065,589)	$ (4,468,338)	$ (4,424,580)	$ (4,632,817)
Changes for the year:									
Service cost	(102,574)	(99,240)	(90,096)	(98,932)	(159,414)	(140,620)	(194,120)	(199,182)	(228,785)
Interest	(82,727)	(75,777)	(77,320)	(40,512)	(76,878)	(99,698)	(166,620)	(162,436)	(140,309)
Changes of benefit terms	-	-	-	-	-	(713,378)	-	-	-
Differences between expected and actual experience	(13,207)	-	246,911	-	505,714	1,212,263	1,222,840	-	-
Changes of assumptions or other inputs	206,821	(41,492)	(47,693)	37,065	592,906	(271,757)	421,266	195,922	464,355
Benefit payments	102,070	96,296	122,902	93,404	116,765	41,913	119,383	121,938	112,976
Net change in total OPEB liability	110,383	(120,213)	154,704	(8,975)	979,093	28,723	1,402,749	(43,758)	208,237
Total OPEB liability - ending	$ (1,921,874)	$ (2,032,257)	$ (1,912,044)	$ (2,066,748)	$ (2,057,773)	$ (3,036,866)	$ (3,065,589)	$ (4,468,338)	$ (4,424,580)
Covered-employee payroll	$16,103,268	$16,582,487	$16,582,487	$15,541,443	$14,370,575	$14,636,872	$13,498,472	$13,120,200	$13,955,609
Total OPEB liability as a percentage of covered-employee payroll	11.9%	12.3%	11.5%	13.3%	14.3%	20.7%	22.7%	34.1%	31.7%

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

Differences between expected and actual experience include updates to healthcare trends and demographics in 2024, the impact of revising the election coverage percentage for future retirees from 60% to 40% in 2022, plan changes to move certain participants to new plans for pre-age 65 and Medicare eligible participants in 2021, and the impact of Congress' repeal of the Affordable Care Act's excise Cadillac taxes in 2020.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	7.75%-4.04%	7.75%-4.04%	7.75%-4.04%	6.75%-3.78%	6.75%-3.78%	6.50%-4.40%	6.75%-4.75%	7.00%-5.00%	7.25%-5.00%
Salary increases	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Discount rate	4.71%	3.97%	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%
Inflation rate	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2017	MP-2017

Data prior to 2018 is unavailable.

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

For the year ended June 30, 2026

Original expenditure budget	$ 39,044,762
Sale of property and compensation for loss	130,809
Encumbrances carried over from prior year	31,297
Revised expenditure budget	$ 39,206,868

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Unrestricted fund balance	
Assigned	$ 3,516,814
Unassigned	3,427,887
	6,944,701
Encumbrances included in assigned fund balance	(46,936)
Appropriated fund balance used for tax levy	(3,469,878)
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$ 3,427,887
§1318 of Real Property Tax Law - unrestricted fund balance limit calculation	
2027 expenditure budget (unaudited)	$ 40,857,103
4% of budget	1,634,284
Actual percentage of 2027 expenditure budget	8.4%

Supplementary Information
Schedule of Capital Project Expenditures

For the year ended June 30, 2026

Project Title	Original Budget	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance
Capital Improvements Project 2023	$ 29,829,634	$ 7,112,277	$ 17,195,191	$ 24,307,468	$ 5,522,166
Buses and Vehicles - 25-26	533,021	-	533,021	533,021	-
Capital Outlay - 25-26	100,000	-	97,435	97,435	2,565
Smart Schools Bond Act	1,255,318	974,213	89,928	1,064,141	191,177
	$ 31,717,973	$ 8,086,490	$ 17,915,575	$ 26,002,065	$ 5,715,908

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

The Board of Education
Akron Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the remaining fund information of Akron Central School District (the District) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 2, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Lyrnsden & McCormick, LLP

October 2, 2026